NOTHING VENTURED NOTHING GAINED

Alberta Enterprise Corporation

Annual Report
2025 - 2026

INVESTING
IN SOLUTIONS

PROTECTING HARD-EARNED GAINS.

As Albertans, we have long understood that success doesn't happen by waiting for opportunity to come to us. It must be relentlessly pursued.

It's never easy. Rarely straightforward. Always full of surprises.

Progress can only be realized through initiative, determination and a carefully crafted plan.

Results can only be achieved through an unshakeable understanding of what is at stake if you don't fully commit.

Gains can only be held through a rigorous strategy to protect that which you worked so hard to earn.

Since 2008, Alberta Enterprise Corporation (AEC) has boldly ventured forth to build a thriving technology sector in our province. We've succeeded in establishing a strong, dynamic technology sector that has put Alberta on the map for world-class technology and innovation. Yet, at a time when available access to Venture Capital (VC) to support made-in-Alberta is increasingly tight – perseverance is crucial to protecting the gains that have been made since AEC's inception.

TABLE OF CONTENTS

Accountability Statement

Alberta Enterprise Corporation (AEC) was established in December 2008 upon proclamation of the *Alberta Enterprise Corporation Act*. The Alberta Enterprise Corporation Board of Directors is accountable to the Minister of Technology and Innovation (TI).

KEY RESULTS

When we made our first investment in 2010, we ventured seed capital from the Government of Alberta to support strategic goals, spurring economic development, high value job creation, financial return, and to fuel the growth of an Alberta-based VC industry. The gains realized by the province and its technology sector have been quite significant.

1. Establishing access to smart capital.

Over the past 16 years, AEC has committed **$434.8 million to 41 funds. *These funds play a crucial role*** *in bolstering our economy and, most importantly, provide the vital capital that Alberta's >2,500 technology companies need to successfully bring their products and ideas to market.*

By investing strategically, we have leveraged our **$434.8 million capital commitments** and created **access to $6 billion** of investment capital **(13.7:1 leverage)**.

To address the increasing need for capital among Alberta technology companies in a challenging capital market, AEC has expanded its portfolio by **approving and closing one new fund and approving four other new funds this year**. The new fund investment **Mistral Ventures** focuses on B2B enterprise software companies at the pre-seed and seed stages. We anticipate the four approved funds will legally close during the 2026/27 fiscal year, further strengthening AEC's support for early-stage investment activity across Alberta.

2. Promoting investments into Alberta companies.

Every $1 invested by AEC has resulted in $5.13 in investments back into Alberta companies.

To date, our VCs and their partners have invested $1,644 billion in 106 Alberta technology companies.

March 2010-2013	**$79M**	**8 companies**
March 2014	**$171M**	**21 companies**
March 2015	**$280M**	**24 companies**
March 2016	**$305M**	**28 companies**
March 2017	**$375M**	**30 companies**
March 2018	**$406M**	**35 companies**
March 2019	**$494M**	**42 companies**
March 2020	**$563M**	**50 companies**
March 2021	**$703M**	**55 companies**
March 2022	**$1.00B**	**65 companies**
March 2023	**$1.13B**	**76 companies**
March 2024	**$1.229B**	**87 companies**
March 2025	**$1.472B**	**98 companies**
March 2026	**$1.644B**	**106 companies**

Alberta has seen a 223% increase in the number of technology companies since 2009[1], growth that is expected to continue. During the same period there has been a 650% increase in Venture Capital investments into Alberta technology companies[2]. This indicates companies in Alberta are attracting capital at a faster rate than the growth of the number of companies.

Alberta continues to lead the way for the growth in the VC industry compared to Canada as a whole, with a 15% compounded annual growth rate (CAGR) for number of deals done over the past 10 years. In contrast, Canada's CAGR for number of deals done stands at 0.6%[3]. Calgary ranks #1 in Canada in terms of Total Funding Growth Rate in Dealroom's Global Tech Ecosystem Index 2025 Dashboard.[4]

[1] 2023 Deal Flow Study, Alberta Enterprise Corporation.
[2] CVCA quarterly reports from 2009 and 2025.
[3] Calculated using CVCA Market Reports, www.cvca.ca/research-insight/market-reports.
[4] Dealroom's Global Tech Ecosystem Index 2025 (https://app.dealroom.co/locations) Calculated using Global Champions view; metric: "Total funding growth (%) 19–20 vs 23–24" (Canada ecosystems comparison).

3. Creation of jobs.

The companies that have received Venture Capital from our funds have created more than 3,650 direct jobs and an estimated 17,600 indirect jobs[5] in Alberta. These are high value jobs that provide an estimated $1.65 billion in employment income[6] for Albertan's and income tax for the Province.

4. Made in Alberta technologies solving challenges facing Albertans.

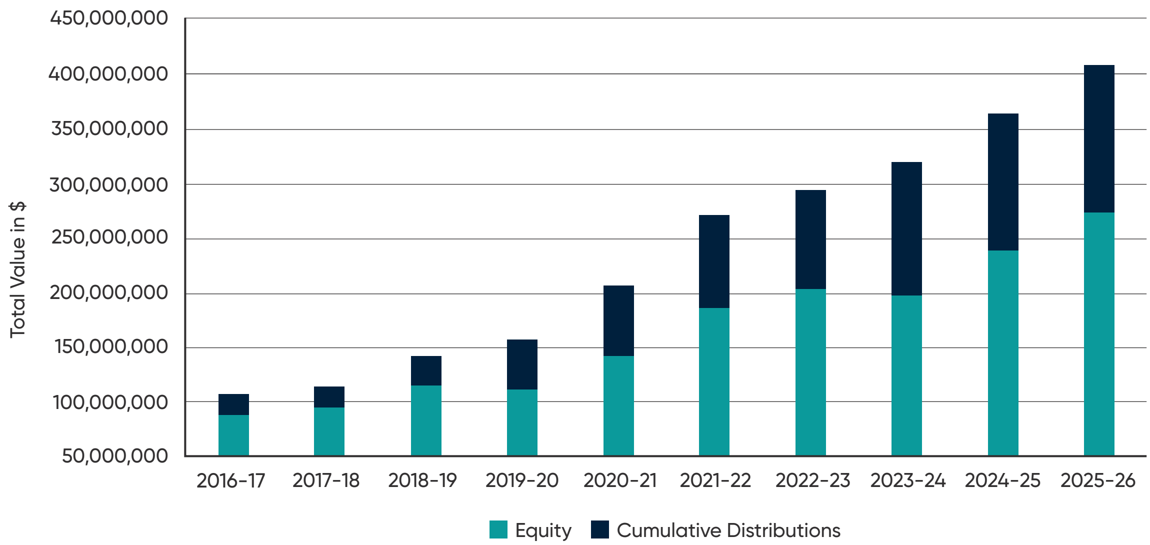
AEC funds have invested in Alberta-based companies that span across the entire economy, providing tech solutions for all aspects of life for Albertans as well as future generations. A few examples include:

- *Samdesk*, which supports informed decision making in a crisis,
- *RL Core*, which optimizes efficiency in water and wastewater management,
- *Grafta*, whose technology is used for cleaning and treating wastewater,
- *Syantra*, specializing in cancer diagnostics, enabling earlier detection,
- *Fluid Biomed*, providing safer, more effective tools for treating brain aneurysms,
- *Wayvern*, whose advanced satellite technology helps make better environmental decisions,
- *Future Fields*, a company reinventing protein manufacturing, and
- *Ambyint*, which help optimize oil and gas production, helping operators get more production out of their wells.

5. Delivering financial return on investment for Alberta taxpayers.

While AEC's mandate and primary focus is to grow the Venture Capital ecosystem and provide funding to Alberta's entrepreneurs, AEC has done this in a way that has also resulted in a financial return to the Province. Our financial value has grown steadily over time, with an **annual net IRR of 5.30%**. This performance exceeds the TSX Venture index for the same time period.[7]

When taking into account the income tax paid to the Government of Alberta, the **annual net IRR to the Government of Alberta is 7.73%**.[8]



[5] For every job in the technology subsector an estimated 4.8 additional jobs are created or supported. Source: CompTIA Cyberstates 2021 Report and E Moretti, The New Geography of Jobs.

[6] Calculated using actual direct jobs times the estimated median yearly income for knowledge based jobs in Alberta, adjusted for inflation.

[7] AEC Annual Benchmarking, March 26, 2026.

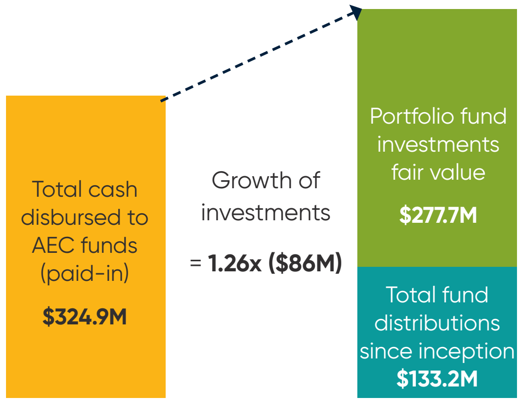
[8] Calculated using AEC's net IRR plus the net IRR on the estimated income tax paid by the direct jobs linked to AEC's Alberta investments.

To date, our funds have returned more than $133 million in cash to us, meaning we have already **received almost half of our investment capital back**. This is capital that we have been able to recycle into new fund investments and pay for our operations.

The value increase in our portfolio has created an additional $86 million in financial value on the Province's investment in AEC.

There are not many economic development programs that generate meaningful economic development returns while also providing a financial return, but AEC is such a program. We help technology entrepreneurs get funding to grow our economy and tax base while making a positive return on that investment.

Growth of AEC Investments



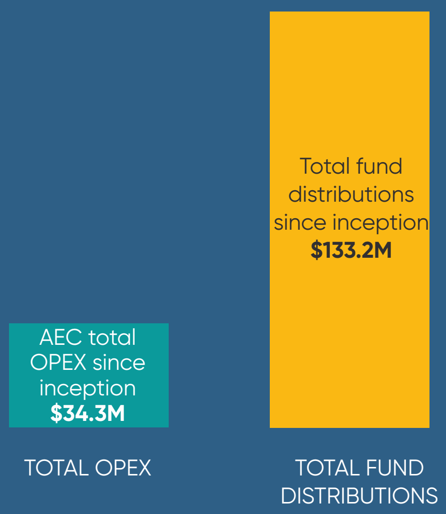
6. Cost effective delivery of the mandate.

By adhering to stringent budgeting and operational practices that are respectful of our role as a taxpayer-funded entity, **we are delivering on our mandate in a cost-effective way**. Our cash distributions to date are close to 4 times greater than AEC's operating expenses to date: i.e. our returns are paying for our operating costs and more.

The results of this intentional approach are evident. Over the past 16 years, AEC has been instrumental in flowing dollars to Alberta startups and providing advice, guidance and strategic support to the ecosystem. These efforts are seen as critical to the VC industry's success.

The value of our investments is expected to grow significantly in the coming years, while also generating more investments in Alberta companies. In turn, this growth will serve to create more high-value jobs and tax revenue in the province.

AEC OPEX vs Cash Distributions



AEC'S cash distributions to date are 3.88x times greater than AEC's operating expenses

CALGARY RANKS FIRST IN CANADA FOR VENTURE CAPITAL GROWTH RATE

Compounded 10-year Average Growth Rate

Number of VC Deals done:

Alberta: 15% Canada: 0.6%

650% increase
in Venture Capital coming to Alberta since 2009

$1.644B of VC investment
into Alberta companies

Estimated 21,300 Direct and Indirect Jobs Created

Every $1 invested by AEC has resulted in
$5.13 of investments back into Alberta companies

$133 million
in cash distributions back to AEC with a financial value increase of
26% on our investments

OUR MISSION

AEC was created to establish a Venture Capital industry in the province – a fundamental requirement for a world-class tech sector.

AEC's mission is to foster a thriving Venture Capital industry in Alberta: one that provides access to Venture Capital and other resources needed to create successful Alberta technology companies.

Our mandate from the Government of Alberta is focused on economic development. However, our investment model is unique as it not only creates a local VC industry that supports a stronger, more diversified economy, it also creates long-term financial returns for the Province on its investment.

OUR OBJECTIVES

1. To attract Venture Capital and VC firms to Alberta.
2. To invest in VC funds that invest in Alberta technology companies.
3. To build and promote a viable and profitable VC industry in Alberta.
4. To assist Alberta tech startups through this VC activity.
5. To help create high-value technology jobs in the province.

A METHODICAL, STRATEGIC APPROACH

AEC invests directly in VC funds that have a track record of success, strong global networks and a demonstrated commitment to the province of Alberta. Core to our strategy is matching the capital we bring to the province with the demand in terms of sectors and investment stage.

This model supports entrepreneurs with funding in the crucial early development stages – and sets them up to thrive. It leverages our capital, creating access to a bigger pool of investment dollars for companies, which multiplies and maximizes our investments. The funds add further value by providing access to markets, mentors and management expertise for Alberta companies.

Our investments are focused on advancing key growth areas that diversify our economy, while fostering continuing success in fields where Alberta has a history of excellence:

Industrial Technology

Energy, Clean Tech, Industrial Internet of Things, Materials, Mining

Information Technology

Software, Cloud Computing, Artificial Intelligence, Machine Learning, Blockchain

Life Sciences

Biotechnology, Nutraceuticals, Advanced Food Manufacturing, Ag Tech, Health/Wellness, Medical Devices

MESSAGE FROM THE BOARD OF DIRECTORS CHAIR AND THE CHIEF EXECUTIVE OFFICER

"Our performance signals the strength of Alberta's technology industry and the important role it has in building the future economy of Alberta."

As illustrated on the previous pages, Alberta has boldly ventured to build a strong home-grown technology sector in this province. One that is fueling innovation, economic growth and diversification as well as job creation. The number of new startups and investors in Alberta continues to show steady growth and the cumulative value of VC investment in Alberta companies sits at $1.644 billion – exceeding the Minister's target by over $250 million.

The Government of Alberta took a major bet back in 2008 with the creation of AEC. Since then, we have seen some spectacular results.

However, over the past years, the Global and Canadian VC industry has faced headwinds with a challenging exit market. As a result, cash returned to investors (such as AEC) from VC funds in the form of distributions has been outpaced by the rate of capital drawn from us to make investments by our funds. This isn't just an AEC issue. It's an industry-wide concern. Investors across North America have had negative cash flows for the last 5 years.[9]

In Canada we have seen a dramatic decline in M&A transactions and IPOs, leaving many investors short on new capital to invest. Though we bucked the trend, and saw distributions back to us improve in 2025, our funds continue to strategically clear out underperforming assets. As a result, we are showing a realized loss on our statement of operations this year. These losses would normally be offset by realized gains in the form of distributions, however, as noted above, the depressed exit market means a slowdown in cash back to investors.

Despite this challenge, the underlying assets we hold have increased significantly in value due to unrealized gains. The value of our portfolio is $86M above the original paid-in capital, *showing an annual net IRR of 5.30% and a Total Value to Paid-In capital (TVPI) of 1.26*. To put this into context, ***our portfolio is currently worth 26% more than what we put in through our investments***. Our performance exceeds the TSX Venture index for the same time period.[10] As the VC industry recovers and exit markets open up, we expect the unrealized gains to turn into cash distributions and realized gains.

There are not many economic development programs that generate meaningful economic development returns while also providing a financial return, but AEC is such a program. We help technology entrepreneurs get funding to grow our economy and tax base while making a positive return on that investment.

As stewards of public funds, we are committed to delivering on our mandate in a cost-effective way. Distributions from our investments have far outpaced our operating costs since inception by a **ratio of almost four to one**.[11]

Our province has made great strides in creating conditions that foster world-class technology companies right here at home. This allows Alberta entrepreneurs to compete globally, while maintaining a strong presence in their home province. In fact, *Alberta continues to outpace Canada in terms of growth in Venture Capital deal activity with a 10-year annual growth rate of 15%*.

Our performance signals the strength of Alberta's technology industry and the important role it has in building the future economy of Alberta. The Alberta technology sector has proven itself to be powerful and resilient, while demonstrating what is possible when a strategic and highly focused VC model is in place. Our goal is to maintain a competitive environment that supports the growth of Alberta's tech firms – so they can continue to build their futures Alberta.

*As we have fully committed our original capital investment from the Government of Alberta, as well as the distributions we have received back, **now is the time for the Government to take another chance**. As we wait for exit markets to rebound, we need to continue to venture forward by investing further in Alberta's increasingly vibrant but not quite self-sustaining venture capital industry!*

We are looking forward to working with the Government of Alberta on creating a co-investment portfolio, as well as contributing on the newly created Premier's Investment Council.

[Original signed by]

Ted Redmond
Board of Directors Chair

[Original signed by]

Kristina Williams
President and CEO

9 Pitchbook-NVCA Venture Monitor as of March 31, 2026, Q1 2026 PitchBook-NVCA Venture Monitor
10 AEC Annual Benchmarking, March 26, 2026.
11 AEC's distributions to date divided by AEC operating costs to date. Source: internal AEC.

VC VIEWPOINTS

PERSPECTIVES ON THE STATE OF THE INDUSTRY

At home and globally, the Venture Capital industry is facing strong headwinds. To help navigate the issues, we sought the insights of two of the most respected figures in the VC sphere: Tracey Scarlett, Executive Director of the Venture Capital Association of Alberta and Benjamin Bergen, CEO of the Canadian Venture Capital Association.

TRACEY SCARLETT

Executive Director,
Venture Capital Association of Alberta

Tracey Scarlett's foray into the tech sector began in working in a biotech development lab. After completing her MBA, she soon found herself on the business-side of equation – running a start-up that was spun out by the University of Alberta. As someone who has been involved in several start-up support programs and served on several prominent boards, she was a natural choice to lead the Venture Capital Association as its Executive Director.

Alberta Enterprise Corporation: *Thank you for speaking with us. What drew you to take the reins at VCAA?*

Tracey Scarlett: I thought it would be a really interesting time to bring the observations I've had over a long career to amplify and build out the risk capital ecosystem to match what has happened on the entrepreneurship development front in Alberta.

What is the value of Alberta's technology ecosystem to the province?

Start Alberta estimates the value of the innovation ecosystem is $37 billion, and it supports over 65,000 high quality, high value jobs.

Your organization has seen steady growth as a result.

By 2020, we had 20 to 25 Venture Capital firms as members. Today it's over 80. There are a lot of investors coming to Alberta to look for deals and invest in companies. It's gone up by orders of magnitude.

What has allowed this sector to achieve such remarkable growth?

When I started my career there was really no Venture Capital investment happening in Alberta. Those seeking to raise money had to look elsewhere.

Fast forward 16 years since the establishment of AEC and the situation is completely different. A big reason for the success is due to investments that AEC has been able to make into VC funds that have found good deal flow here. AEC's ability to invest in funds with a requirement for them to set up a presence in the province has grown our ecosystem dramatically.

What about Alberta's entrepreneurs and innovators makes Alberta attractive to VC funds?

There are really good companies here. We have all the foundational pieces including a great education system and research institutions that are world-class in many cases. This creates talent and intellectual property.

The other pillar is financial support – the risk capital to help these companies grow.

Why are Alberta VCs having a difficult time accessing capital to invest in new companies?

Funds are facing a very slow exit market. What was intended to be a 10- or 12-year fund investment is now extending to 17 years, 18 years. When there's all this volatility, availability of capital to invest into new funds (by cashing out of existing funds) is becoming very constrained.

Is investor attention on AI technology start-ups as the new shiny object impacting other technology streams important to Alberta?

There is a massive amount of opportunity for companies that can be transformational to their industries. You don't want to give up on a company that has great progress. So ideally you want to find enough capital to keep matching the demand for investment.

Innovation is happening in traditional sectors where Alberta is strong: energy, health, transportation and agriculture.

What stands out about what Alberta Enterprise Corporation has achieved?

Alberta Enterprise Corporation has been one of the most transformational investments the Government of Alberta has made in the technology ecosystem. They're getting capital in the hands of innovators.

Without AEC, we would still be where we were 16 years ago... where Alberta companies looking to develop technology would have to go elsewhere instead of growing their companies here in Alberta.

I think it's estimated that every dollar invested in AEC generates just over five dollars. Anybody making an investment who could get a 500% return would be thrilled.

BENJAMIN BERGEN

CHIEF EXECUTIVE OFFICER, CANADIAN VENTURE CAPITAL AND PRIVATE EQUITY ASSOCIATION

For Benjamin Bergen, taking the reins of the Canadian Venture Capital Private Equity Association (CVCA) was a natural step after leading the Council of Canadian Innovators (CCI) for a decade. He was attracted by the opportunity to figure out how to recapitalize Canada, including its tech sector, to meet the moment. Bergen joined us to share his perspective on where Canada stands and how it can better attract investment.

Alberta Enterprise Corporation:
This is a passion project for you. So, what is required to create a strong environment for a homegrown technology sector in this country?

Benjamin Bergen: Capital, talent, customers, and freedom to operate are four pillars required to create a successful innovation economy. But access to domestic capital has been a perennial challenge.

You've used the term 'inflection point' to describe today's innovation economy. How so?

Geopolitics is causing a lot of uncertainty for investors, more than is typical. Second is the liquidity challenge that we're in right now. As a result, many companies have been unable to go public. We saw no IPOs in the previous year. It is taking longer to exit funds, which is impacting the model across the country and, to a lesser extent, globally.

Does this capital challenge impact our ability to keep companies here in Canada once they start becoming successful?

Where we struggle as a country is in supporting growth stage companies (Series B and up). One major challenge is that Canadian investors take the heavy risk in early stage technology, yet we allow the commercialization upside to occur south of the border. It means we, as Canadians, are not as wealthy and prosperous as we could be.

What stands out about Alberta's technology sector?

Most of the patents filed in Canada are from oil and gas companies in Alberta. When I would talk to Alberta government officials about an innovation economy, I would often start by saying, "Look, this is not a case of new economy versus old economy." Oil and gas firms? Agricultural businesses like John Deere? Today, everything is a tech company, and intellectual property is the primary asset.

The Alberta Machine Intelligence Institute (Amii), together with Alberta's focus on AI are examples of how the province is developing core strengths in new areas. Both complement traditional industries in ways that could be game-changing. But again, it will take funding and vision.

So, it's critical to adopt a new way of thinking?

Look at how taxi drivers were displaced by Uber. The drivers still own their cars, but Uber owns the platform, the data, and the customer. The value moved to whoever controls the network, and the drivers got pushed to the bottom of the value chain. The same thing will happen in traditional industries, like farming and oil and gas. Technology will come in and own the means of production.

If you don't have any firms in your province that are world leaders in aspects of this technology, they will be pushed to the bottom. If we don't have large players that are domestically owned, we won't have much space to play in the global economy as it relates to decision-making.

What do Alberta and Canada need to do to remain competitive?

One of CVCA's goals is to create an environment that offers superior returns for investors. It starts by having a tax-competitive regime. Second, most successful innovation economies procure domestic solutions through government if the products are equal or superior. I think most firms would prefer a customer over a subsidy.

It's also important to have a strategy for marshalling our talent and capabilities through immigration tools that allow more highly skilled workers in certain sectors, connected with education and training.

We're not the U.S. What smaller countries are doing it right, and how?

If you look at places like Denmark, Korea, or Israel, there is far more government involvement and strategic planning with industry. That doesn't mean you want government picking winners. You want them supporting winners and collaborating with them to determine what policies they need to become globally successful.

VC PROFILE
MISTRAL VENTURE PARTNERS

In 2025/2026, Alberta Enterprise Corporation invested in a new fund: Mistral Fund IV LP. The fund will initially target pre-seed and seed stage companies in the B2B space, with a focus on enterprise software and AI. To support its entry into the Alberta tech ecosystem, Mistral has established a full-time presence in Calgary. They sat down with us to share their initial impressions and explain why they're so bullish on Alberta.

Collaborating to Develop Category Defining Software

When Code Cubitt, Managing Director of **Mistral Venture Partners** was asked to share his observations on Alberta's technology industry, his enthusiasm was clear.

"It feels new and energetic... in the best way!

"It reminds us of Toronto roughly a decade ago, at the point where the foundations were in place and it was clearly the right moment to commit. We see Alberta at a similar inflection point."

Mistral Venture Partners is one of Canada's most established seed stage venture capital firms, now investing out of its fifth fund. This year, Mistral established an office in Calgary, anchored by Ryan Watkins, who is relocating from Toronto to lead Mistral's work in Alberta.

Cubitt credits Mistral's success on its unwavering focus on three key ingredients: enterprise software, the Canadian market, and the seed stage.

"We are usually the first institutional investor a company brings on, and we stay close through the earliest and hardest part of building. Our most recent fund, Mistral Fund IV, concentrates on artificial intelligence in the enterprise realm, which is where we believe the next generation of category-defining Canadian software companies will be built," Cubitt says.

Asked specifically about the advantages of investing in Alberta-based startups, he cites grounded valuations and talent.

"This allows us to invest in excellent companies on reasonable terms, and gives founders a healthier starting point. For software businesses, that combination of sensible entry points and deep talent is a real advantage."

Cubitt feels Alberta's early-stage VC landscape is "genuinely strong." He sees a healthy base of seed and pre-seed activity. What has impressed him most is how collaborative and focused firms and founders are here.

"People share deal flow, make introductions, and work together to help companies succeed, which is exactly the environment in which a seed investor wants to operate. Plus. Alberta founders tend to be pragmatic and capital efficient. They're focused on building real businesses rather than chasing headlines," Cubitt says.

Another factor that has attracted Mistral is the strength of the tech ecosystem that has been built here: from trailblazing anchor companies to leading research institutions, backed by steady public-sector support.

Cubitt notes this impact is reflected in the numbers, as Alberta has drawn record levels of venture investment in recent years. He notes that Alberta now accounts for a meaningful and growing share of the capital deployed across Canada.

Alberta Enterprise Corporation has welcomed Mistral by making introductions and connecting them to funds, founders and experienced operators. Cubitt says it has helped shorten their path into the Alberta ecosystem.

Mistral is feeling positive about its decision to put boots on the ground in Alberta. Cubitt expects the ecosystem to keep maturing and sees an opportunity to attract later-stage capital.

"As more companies scale and reach successful outcomes, capital and experienced talent will recycle back into the next generation of Alberta startups," Cubitt says.

"Combined with research strength in artificial intelligence, we believe Alberta will draw a larger share of national and international attention over the coming years."

MANAGEMENT'S DISCUSSION AND ANALYSIS

AEC's operations focus on two key areas:

1. Investment as a Limited Partner (LP) in Venture Capital funds that finance early stage, knowledge-based companies.
2. Targeted initiatives to develop the Venture Capital ecosystem and improve the networks connecting entrepreneurs, experienced management, and investors.

As outlined in the following sections, we utilize a number of strategies to achieve our intermediate and ultimate outcomes. AEC has developed Key Performance Indicators (KPI) to measure our progress in achieving our mandate.

INVESTMENTS

AEC was established to build a local Venture Capital industry capable of providing the capital needed to support the growth and success of knowledge-based companies in Alberta. To achieve this, AEC invests as a Limited Partner in technology Venture Capital funds that have, or will establish, a presence in the province, staffed with a senior level investment professional.

By investing together with other Limited Partners in VC funds that finance early stage technology startups in Alberta, we create access to a much larger pool of capital while also creating access to external markets and the expert resources of these funds.

Creating a portfolio that matches capital to Alberta deal flow across various sectors and stages is a core element of our fund investment strategy. With this in mind, **we have targeted three types of funds for investment:**

1. Funds that bring outside expertise:

A key strategy behind AEC's fund approach is to pull VCs from outside Alberta so that we can leverage their industry knowledge and network of experts. It is important to attract established fund managers with startup experience, investment experience, industry connections and networks – because beyond money, this is what Alberta startups lack.

2. Alberta-based funds that increase in-province capacity:

Equally important is the need to grow and develop Alberta-based funds. AEC has supported local funds, and we are developing home-grown VC talent through the local representatives of the funds headquartered outside Alberta. We know that it takes time to build a strong Alberta VC fund presence. With this in mind, we continue to develop the concept of **micro funds**. These funds are smaller than typical VC funds (generally under $50M). They tend to invest in startups in the earlier stages and must be headquartered in Alberta.

3. Fit-to-purpose funds that address critical gaps:

It is imperative that AEC invests in funds that complement the available deal flow in the province. Our deal flow studies show that a large portion of the technology companies in Alberta are early stage. It is therefore vital to continue focusing on this earliest stage of investments. As a result, we have created the angel co-investment Accelerate Funds and have focused on seed stage funds.

VENTURING ALONGSIDE US – OUR VC PARTNERS

To date AEC has invested in 41 funds.

32 Degrees Diversified Energy Fund II LP (Services & Technology AIV) – Alberta-based fund manager focused on energy technology, with initial investments targeting Series A stage companies.

Accelerate Funds I, II, III, and IV LP – angel co-investment funds solely focused on Alberta technology companies, with initial investments focused on seed and early stage companies.

Alpaca VC Fund III LP – focused on seed stage software and software-enabled companies.

Amplitude Ventures Fund I and II LP – focused on the life science sector in the Series A stage.

Avrio Ventures II LP – Alberta-based fund manager focused on innovative food and agriculture companies, with initial investments targeting Series A and beyond stage companies. This fund has reached the end of its term and is no longer active.

Azure Capital Partners Feeder III – focused on the information technology sector, with initial investments targeting post-seed stage companies as well as Series A and beyond.

Azure Capital Partners Opportunities Fund I LP – focused on ICT companies operating in the seed and early stages leading up to Series A.

Builders VC Fund I, Builders Fund II and Fund III, LP[12] – focused on Series A and later stage investments in industrial innovation.

Chrysalix Energy Alta Fund LP – focused on the clean and energy technology sectors, with initial investments targeting Series A stage companies. This fund has now been exited by AEC.

Enertech Capital Partners IV – focused on the energy and clean technology sectors, with initial investments targeting Series A stage companies.

Evok Fund II LP – focused on series A/B companies enabling industrial decarbonization and energy transition.

Flying Fish Fund II and III LP – focused on technology companies innovating within the Artificial Intelligence vertical, with initial investments targeting pre-seed and seed stage companies.

Graphite IAF IV LP – focused on seed investments in all verticals with a focus on scalable B2B and enterprise SaaS.

Inovia Investment Fund III, Fund 2018, and Venture Fund V LP – focused on the information technology sector, with initial investments targeting seed and Series A stage companies. Inovia Investment Fund III has reached the end of its term and has been dissolved.

Inovia Growth Fund II LP – focused on growth stage software platforms that transform industries and push technology frontiers.

Luge Investment Fund II LP – focused on early-stage investments in fintech.

McRock iNFund, Fund II, and Fund III LP – focused on the digital industrial, with initial investments targeting Series A stage companies.

Mistral Fund IV LP[12] – focused on enterprise software and AI, with initial investments targeting pre-seed and seed stage companies building B2B solutions.

New Acres Capital Food & Ag LP – focused on innovative food and agriculture companies, with initial investments targeting Series A and beyond stage companies.

Panache Ventures Investment Fund 2018 and Fund II 2022 LP – focused on seed stage investments in ICT and other sectors.

Pender Technology Inflection Fund II LP[12] – focused on B2B enterprise software companies at the Series A and beyond across a variety of sectors, with a key focus on health.

PillarFour Capital Fund II LP – focused on oilfield services innovation in the Series A+ stages.

Relay Ventures Fund III LP – focused on mobile technology, with initial investments targeting Series A stage companies.

Relay Ventures Fund V LP – focused on mobility, property technology, sport technology, and fintech in the seed and Series A stages.

Sprout Fund II LP - focused on B2B and SaaS investments at the seed stage.

The51 Food & Agtech Fund I LP – focused on seed/early stage food and agtech businesses.

Yaletown Ventures II LP – focused on the information and communications technology and clean technology sectors, with initial investments targeting Series A stage companies.

Yaletown Innovation Growth Fund I and Fund II LP – focused on Series A and later stage investments in companies enhancing sustainability and productivity for industrial and enterprise customers.

[12] New fund as of 2025/26.

INVESTMENT STRATEGIES AND OUTCOMES

AEC employs a number of investment strategies to achieve our mandate.

1. **Create a portfolio that is aligned to Alberta deal flow.**

   To maximize the impact of AEC's investments, it is critical that our capital be invested in funds that complement the available deal flow in the province. Accordingly, AEC aims to create a portfolio of fund investments that matches the supply of capital to the deal flow across Alberta sectors and stages. Our aim is to have VCs actively engaged in Alberta across the core knowledge sectors, including information technology, industrial technology and life sciences, and investment stages represented by Alberta startups.

2. **Invest in VCs that establish (or maintain) an Alberta focus and presence and bring key investment skills to Alberta.**

   It is critical that the funds we invest in view Alberta as a strong opportunity for investment that warrants the fund's focus, attention and resources. AEC therefore seeks out funds that see strong alignment between their own investment thesis and the deal flow in Alberta. AEC further requires that each of our funds maintain a significant local presence in the province.

3. **Attract new VCs to Alberta.**

   A key strategy behind AEC's fund approach is to attract VCs from outside Alberta so that we can leverage their industry experience and network of experts. It is important to attract established fund managers with startup experience, industry connections and networks – because beyond money, this is what Alberta startups need. With only a few tech VC funds headquartered in Alberta, it is crucial to attract outside funds to fill the immediate need for capital, while we continue to grow Alberta's local VC fund talent.

4. **Reinvest in existing high-performing fund managers.**

   Once a VC fund is operating in Alberta, the expectation is that significant value will be provided to Alberta companies and to the Alberta ecosystem through each fund's investment activity, mentoring of companies, and engagement in the ecosystem. Funds that can demonstrate their value-add to Alberta startups and the Alberta ecosystem, as well as generate solid financial performance, are given priority for re-investment when they begin raising subsequent funds.

5. **Find and champion fund solutions that address critical gaps.**

   For certain stages and sectors, there can be a lack of active funds available for AEC to invest in. In this case, AEC will seek out or design new and innovative programs to meet those needs. To date, AEC has designed and launched four innovative funds that expanded the available capital for seed stage and angel-backed start-ups in Alberta (Accelerate funds I to IV). AEC plans to continue our efforts to create solutions that provide access to capital for pre-revenue/early revenue companies, and other gaps as they emerge.

6. **Help build local Alberta-based funds and managers.**

   AEC aims to help create more home-grown technology VC talent, with the end goal of helping to stand-up and invest in more locally headquartered funds. To achieve this, we will continue to act as a key investor in first time Alberta funds, we will continue to mentor local emerging VC teams, and we will continue to assess opportunities to invest in emerging Alberta managers. AEC's Alberta Micro Fund Strategy allows for fractional allocation of capital and provides added flexibility in meeting investment criteria, enabling us to support new *Alberta-based funds under $50 million.*

7. **Steward capital and be an engaged LP.**

   AEC recognizes our role as a steward of public capital, and we ensure that the funds under our management are selected and governed responsibly. In accordance with the goals of our mission, we invest in VC funds that present a sound risk/reward case for creating benefits to Albertans as well as generating a positive return to the Province. We play an active role in the governance structure of each fund, and we strive to be a preferred LP that adds value to each of our investments.

8. **Pursue co-investment to support scaling Alberta companies.**

   In anticipation of a mandate change, over the past year, AEC has initiated the development of a co-investment strategy as an extension of our fund platform. A co-investment is a direct investment made by an investor (such as AEC) alongside a venture capital fund into a specific portfolio company, typically sourced and led by a VC fund. This work has focused on developing a framework that leverages AEC's long-standing relationships – while maintaining AEC's VC fund portfolio – as the foundation to access high-quality Alberta co-investment opportunities that align capital deployment with economic development objectives.

Our strategies are crafted to achieve the following outcomes:

Intermediate outcomes (for fiscal 2025/26):

1. Increased access to smart Venture Capital for Alberta companies.
2. A blend of capital from managers internal and external to Alberta.
3. Stimulated investment in Alberta knowledge-based companies.

Ultimate outcomes (beyond fiscal 2025/26):

4. A thriving and self-sustaining VC industry in Alberta.
5. A positive financial return on the original investment capital of the Province.

We measure our results by using Key Performance Indicators with set targets.

Intermediate Outcomes (fiscal 2025/26)

Outcomes	KPI linked to outcome
1. Increased access to smart Venture Capital for Alberta companies	• Total AEC fund commitments to date (number of funds approved and legally closed over the fiscal year)[13] • Total Alberta-based Venture Capital professionals linked to AEC funds[14]
2. A blend of capital from managers internal and external to Alberta	• Number of active funds with headquarters in Alberta in AEC's portfolio[15]
3. Stimulated investment in Alberta knowledge-based companies	• Total Alberta portfolio companies in AEC portfolio that have received capital[16] • Total $ invested by AEC funds and syndicate investors into Alberta companies[17] • Ratio of total invested by AEC funds and partners into Alberta companies[18]

13 The total number of VC funds in AEC's portfolio to date, and the number of funds approved by the Board and legally closed in the current fiscal year. Includes all current active and inactive funds, including funds that have been liquidated or terminated early. Source: Internal to AEC.

14 The total # of Venture Capital professionals (i.e. persons) operating within AB that work directly for the funds in AEC's portfolio. This includes Alberta-based investment professionals involved in deal making and other Alberta-based team members such as accountants or operations managers with a professional skillset that supports the function of a Venture Capital fund. Source: Fund activity reports.

15 A fund is considered to be headquartered in Alberta if the Management Company is incorporated in Alberta or if more than 50% of the GP staff are based in Alberta. Only the active funds in AEC's portfolio are counted in this metric. Source: Fund activity reports.

16 The total number of Alberta-headquartered companies that have received investment capital from funds in AEC's portfolio. A company is considered to be Alberta-headquartered if it is incorporated in Alberta or more than 50% of its employees work in Alberta. Source: Fund activity reports and fund quarterly financials.

17 Total dollars invested in Alberta companies by AEC's funds and their syndicate partners. USD investments are converted to CAD using the exchange rate on the actual date of the investment. Source: Fund activity reports and fund quarterly financials.

18 Total dollars invested in Alberta companies by AEC's funds and their syndicate partners divided by total paid into funds by AEC (including fees and expenses). USD investments are converted to CAD using the exchange rate on the actual date of the investment. Source: Fund activity reports, fund quarterly financials and AEC financial statements.

Ultimate Outcomes (fiscal 2025/26)	
Outcomes	**KPI linked to outcome**
4. A thriving and self-sustaining VC industry in Alberta	• Total Alberta-based Venture Capital professionals linked to AEC funds • Direct Alberta jobs created in AEC portfolio companies[19] • Number of startup and investor profiles created on StartAlberta.com[20]
5. A positive return on the original investment capital of the Province	• Total Value to Paid-In (TVPI) capital to AEC[21]

The Ministry of Technology and Innovation has identified the following outcomes, performance measures and targets specifically for AEC[22]:

Outcome: Investment and trade are driving Alberta's economic recovery and growth.
Performance metric: Cumulative value of AEC attracted Venture Capital funds (and their syndicate partners) invested in Alberta businesses ($ millions).

2025/26 **Target:** $1,391 million

Result: $1,644 million

[19] Total number of Alberta employees (persons) in companies in AEC's portfolio. Includes Alberta-based staff of companies headquartered in Alberta, and Alberta-based staff of companies headquartered outside Alberta. The metric reflects the growth of Alberta staff while an AEC fund is an investor in that company. Once the AEC fund exits the company, the # of employees is held flat after that point in time, unless a revised number can be sourced from a trustworthy source. Source: Fund activity reports and fund quarterly financials.

[20] Total number of verified startup and investor profiles that have been created on StartAlberta.com. A startup or investor is verified manually by the dealroom.co data team. The data source is from both live snapshots taken from StartAlberta.com as well as monthly reports sent from dealroom.co to AEC's Industry Development team. Source: Dealroom.co and StartAlberta.com

[21] Total Value to Paid (TVPI) is a standard private equity fund financial metric that represents the sum of unrealized equity values and realized distributed values, divided by the total paid-in amounts to a fund to date. Source: AEC financial statements.

[22] Ministry Business Plans, Meeting the Challenge, Budget 2025, February 27, 2025, p. 161.

RESULTS: INVESTMENTS

Intermediate Outcomes

Outcomes

1. Increased access to smart Venture Capital for Alberta companies

Results and Discussion

Key Performance Indicator: *Total AEC fund commitments to date measured by new AEC fund commitments during the fiscal year (funds approved and legally closed)*

Target: *4 fund investments approved and 3 or more fund investments legally closed over 2025/26*

Key Performance Indicator: *Total Alberta-based Venture Capital professionals linked to AEC funds*

Target: *Increase to 35 investment professionals by end of 2025/26*

To measure this outcome, AEC reviews a number of factors, including how many fund commitments have been made during the year and the total number of Alberta-based Venture Capital professionals linked to AEC funds. Total access to capital, and actual investment into Alberta companies, which is discussed in the next section, are also strong indicators.

As of March 31, 2026, AEC has committed $434 million for investment into 41 VC funds. Over the fiscal year ending Mar 31, 2026, ***five new fund investments were approved***, of which only one fund (Mistral V) was legally closed. As a result, the target of 4 approved was exceeded, but the target of 3 closed was not met. For the four approved funds we are waiting for them to achieve minimum fund targets or target distributions before we can finalize our investments, which are both outside our control. The current macroeconomic environment which has resulted in dramatically reduced startup exits in North America (and resulting LP distributions) has impacted the amount of LP capital in Canada available to new funds, with the result being a more difficult fundraising environment that requires more time for fund managers. Legal documents for all four funds are on track to be completed, and it is expected that the closing conditions for three of these funds will be addressed without issue over the early months of FY 2026/27.

As of March 31, 2026, AEC's fund investments have activated and now support ***36 investment professionals operating in Alberta***, exceeding our KPI target for the year. These "boots on the ground" are actively at work seeking and supporting investable companies in Alberta and are a critical component of our model to develop Alberta's Venture Capital ecosystem.

Through the development of our curated fund portfolio, Alberta knowledge-based companies have had access to $6 billion in Venture Capital, leveraging up our own capital invested by a factor of 13.7:1.[23]

[23] Total access to capital is calculated using the total fund size of all AEC's funds (in CAD). AEC's leverage is calculated by dividing the aggregate fund size of AEC's portfolio, by AEC's fund commitments as of March 31, 2025.

Outcomes	Results and Discussion
2. A blend of capital from managers internal and external to Alberta	***Key Performance Indicator:*** *Number of active funds with headquarters in Alberta in AEC's portfolio* ***Target:*** *4 funds headquartered in Alberta at end of 2025/26* Alberta Startups and Alberta's technology ecosystem benefit from a mix of VC funds that are headquartered and operate across different regions. To measure this outcome, AEC reviews a number of factors, including the number of Venture Capital funds with their headquarters in Alberta. As of March 31, 2026, AEC's portfolio has ***5 VC funds with their headquarters in Alberta***, exceeding the 2025/26 target of 4. Alberta resident funds bring value by focusing on local investment sectors and maintaining a sustained Alberta presence and workforce. Two of the approved funds are Alberta based. In addition, it is beneficial for the portfolio to contain a mix of new managers that bring new perspectives and fill gaps in the portfolio, and for the portfolio to support existing high-performing managers who bring stability to the portfolio through their prior experience and networks in Alberta. Over 2025/26, of the five funds approved, two managers will be new to the portfolio (including Mistral V which was closed) and three managers will be re-investments in existing managers.
3. Stimulated investment in Alberta knowledge-based industries	***Key Performance Indicator:*** *Total Alberta portfolio companies in AEC's portfolio that have received capital* ***Target:*** *Increase to 107 companies (9 new over the year) by end of 2025/26* ***Key Performance Indicator:*** *Total dollars invested by AEC funds and syndicate partners into Alberta companies* ***Target:*** *Increase to 1.391 billion by end of 2025/26* ***Key Performance Indicator:*** *Ratio of total invested by AEC's funds and syndicate partners into Alberta companies* ***Target:*** *Maintain at 1:4 by end of 2025/26* To measure this outcome, AEC reviews a number of factors, including the total number of Alberta companies that have received investments from our funds, total dollars invested into Alberta companies, and the ratio of investments into Alberta companies compared to capital invested by AEC into our funds. As of March 31, 2026, ***the total number of Alberta companies in AEC's portfolio has increased by 8*** over the year, which is just shy of the target of 9 new companies. There has been a general reduction in the number of deals in Canada compared to 2024, however Alberta has been harder hit.[24] We believe this is partly a reflection of the fewer number of funds closed this year by AEC, but also reflective of the natural variation expected when managers seek out opportunities across the competitive environment in Canada and North America. As discussed in other sections, this is not due to fewer companies in Alberta, as the number of startups continues to show steady growth. As of March 31, 2026, ***our funds and their syndicate partners have invested $1.644 billion into 106 Alberta technology companies***, exceeding the 2025/26 target set by the Ministry of Technology and Innovation[25] by over $250 million. As of March 31, 2026, ***every $1 invested by AEC in funds (including fees) has generated $5.13 of investments into Alberta companies***. This exceeds the 2025/26 target of $4 for every $1 invested and reflects how AEC's funds are continuing to place capital locally in the province and help Alberta companies access other funds at a rate that significantly exceeds the capital injected by AEC.

[24] Calculated using CVCA Market Reports, www.cvca.ca/research-insight/market-reports.
[25] Ministry Business Plans, Meeting the Challenge, Budget 2025, February 27, 2025, p. 161.

Ultimate Outcomes

Outcomes

4. A thriving and self-sustaining VC industry in Alberta

Results and Discussion

Key Performance Indicator: *Direct Alberta jobs created in AEC's portfolio companies*

Target: *Increase number of direct Alberta jobs by 200 employees (to 3,833) at end of 2025/26*

Key Performance Indicator: *Total Alberta-based Venture Capital professionals linked to AEC funds*

Target: *Increase to 35 investment professionals by end of 2025/26*

Key Performance Indicator: *Number of startup and investor profiles created on StartAlberta.com*

Target: *Increase to 2,300 startups and 550 investors by end of 2025/26*

AEC reviews a number of factors to assess this outcome, including total direct Alberta jobs created in AEC's portfolio companies, the total number of Alberta-based Venture Capital professionals in AEC's portfolio, and the number of company and investor profiles created on StartAlberta.com.

As of March 31, 2026, ***AEC's portfolio companies employ 3,677 Alberta staff***. This is an increase of 44 employees over the past year but falls short of our annual target of 200 new Alberta employees. Potential reasons for the shortfall include the impact of AI on the workforce needs of startups, lower VC activity in Alberta compared to the prior year, as well as general expected variability in the growth trend.

As noted earlier, the number of Venture Capital professionals in Alberta was steady at 36, exceeding the annual target.

Further, the number of new startups and investors in Alberta continues to show steady growth and exceed our targets, as reflected by data captured and verified by StartAlberta.com (explained in the industry development section below).

To achieve the ultimate outcome of a sustainable VC industry in Alberta, patience and ongoing investments from AEC is required. AEC has been investing in VC funds since 2010 – but building a self-sustainable VC industry can take decades. The average VC fund has a life of more than 14 years. As such, it is still too early to predict the full impact of AEC's activities, but as detailed above, over the course of our investment history to date we have achieved excellent results.

Outcomes

5. A positive return on the original investment capital of the Province

Results and Discussion

Key Performance Indicator: *Total Value to Paid-In capital (TVPI) of AEC's investment portfolio*

Target: *Equal to or greater than 1.07x at end of 2025/26*

Even though our mandate is economic development oriented, our complementary goal is to generate a positive return on the Province's investment capital in a timeframe consistent with the lifecycle of a private equity fund of funds program with a large number of fund investments – recognizing that each individual fund investment in the portfolio has a return timeline in the range of 12 to 15 years before its liquidation is complete.

To measure this outcome, AEC reviews the metric referred to as Total Value to Paid-In capital (TVPI). TVPI measures the value of an asset (using unrealized and realized value) compared to the cost of the investments (including costs for investments and fees). A TVPI of >1 means the value of the investments exceeds the cost of the investments, and the assets are creating value.

As of March 31, 2026, ***every $1 invested by AEC is worth $1.26 (a TVPI of 1.26x)***. This indicates that AEC's performance is holding steady despite the overall downturn in market conditions over the past couple of years, and despite the addition of 6 new funds over the past two fiscal years (which create a drag on performance due to the J-Curve effect explained below). For this fiscal year the TVPI is still significantly above our target of greater than or equal to 1.07x.

It should be noted that the TVPI for the portfolio is significantly affected by the addition of new funds. Due to the nature of venture investing and accounting practices, VC funds are very likely to show a loss during the first half of their life due to fees and expenses being drawn. These losses normally reverse as a fund matures and as the unrealized and realized gains of the underlying portfolio companies increase over time. Therefore, as AEC continues to add new funds to our portfolio we are likely to see the delaying effects of new funds expressed in the portfolio's total TVPI in the 3-5 years after they are added. The financial return to the Province on our initial investment will not be fully known until all of our funds mature and all individual fund positions are fully liquidated.

As of March 31, 2026, ***our portfolio has distributed $133.2 million back to AEC***, as a result our funds have returned 41% of our invested capital.

INDUSTRY DEVELOPMENT

At AEC, we are spearheading the development of a self-sustaining, Alberta-based Venture Capital industry by nurturing the ecosystem that surrounds technology startups, investors, and related networks. We unite and support investors, startups, and management talent, fostering a collaborative environment that drives innovation and growth. Over the past year, Alberta's technology ecosystem continued evolving, maturing and growing, with AEC leading the charge in this transformative journey.

Our efforts are focused on bridging gaps within the ecosystem and forging meaningful connections between existing organizations. We have successfully supported the creation of industry-driven, grassroots organizations that play a pivotal role in the technology and Venture Capital landscapes. These groups are instrumental in connecting Alberta's entrepreneurs, startups, investors, and mentors, both within the province and beyond. Below, we outline our strategies to further support tech companies and strengthen the industry ecosystem.

Industry Development Strategies and Outcomes

AEC employs a number of strategies to achieve our mandate for industry development.

1. **Increase the connectivity between entrepreneurs and investors, and investors to investors.**

   A thriving venture ecosystem hinges on strong, dynamic connections between its entrepreneurs and investors. This strategy prioritizes fostering a highly connected ecosystem, recognizing that robust networks are the backbone of innovation and growth. Increased connectivity fuels deal flow, facilitates knowledge sharing, and unlocks collaborative opportunities that drive success. By strengthening the links between entrepreneurs and investors, we enable promising startups to access the capital and mentorship they need to scale. Deepening connections among the investor community fosters co-investment opportunities, expands syndication networks, and enhances the collective expertise within the Alberta VC community.

2. **Create access to resources that make knowledge-based companies more investable.**

   This strategy focuses on strengthening the readiness of Alberta's knowledge-based companies to attract venture capital. Companies that secure investment are typically led by founders with compelling visions and the ability to execute. We draw insights from our ecosystem analysis (Strategy 4) to identify key gaps and collaborate with partners to develop or support initiatives that address these needs. This includes supporting programs focused on entrepreneur mentorship, peer groups, talent development, DEI resources for startups, and organizations like Platform Calgary, Edmonton Unlimited, Venture Capital Association of Alberta (VCAA) and A100. By increasing founders' and companies' understanding of scaling a venture-backed business, we aim to improve their ability to successfully raise VC funding.

3. **Connect Alberta's entrepreneurs and ecosystem to other regions and raise Alberta's tech ecosystem profile.**

   A strong Alberta tech ecosystem profile, both locally and internationally, is essential for a thriving ecosystem. Given that Venture Capital is invested in globally impactful businesses, and Alberta startups often need to access external markets for customers and capital, raising the province's profile is critical. A higher profile builds trust among global customers and investors, making it easier for Alberta companies to secure customers and funding.

4. **From an investor perspective, identify gaps in, and share insights on the technology ecosystem.**

   As an investor, this strategy identifies gaps in Alberta's technology ecosystem and shares insights to inform action. Leveraging our position within the ecosystem, we combine stakeholder engagement with qualitative and quantitative data to understand the challenges and opportunities facing knowledge based companies, particularly related to growth and fundraising. These insights inform our investment decisions and guide initiatives and policy development for both AEC and external stakeholders. Key data sources include the Alberta Tech Deal Flow Study, VC ecosystem interviews, the Start Alberta Deal Flow Platform, CVCA, Pitchbook, and data from organizations such as A100, Platform Calgary, Edmonton Unlimited, and VC fund managers.

5. **Educate and attract new investors to the asset class.**

   Many high-net-worth individuals and family offices in Alberta have expressed interest in tech investing but lack the necessary knowledge, experience and access to deals. Recognizing this untapped potential for early-stage capital and the need to expand the LP base for Alberta venture funds, we will support initiatives that provide education and mentorship to new investors. These initiatives will address key areas such as valuations, portfolio construction, due diligence, term sheet development, and LP investing.

6. **Develop more Alberta-based VCs and VC talent.**

   As AEC continues investing in new funds, the demand for experienced investment professionals in Alberta grows. To ensure the long-term health of the province's VC industry, we will support the development of emerging fund managers and cultivate a deeper pool of VC talent. This will involve supporting educational and mentorship opportunities focused on the specific skills and knowledge required to succeed in the VC industry. This strategy recognizes that a robust and locally based VC talent pool is essential for the continued growth and sustainability of the Alberta venture ecosystem.

Our strategies drive toward achieving the following outcomes:

Intermediate outcomes (for fiscal 2025/26):

1. A highly connected Alberta ecosystem (connecting investors to entrepreneurs and investors to investors).
2. Access to relevant resources resulting in investable Alberta companies.
3. A growing, knowledgeable, and engaged Alberta VC industry.
4. A stronger Alberta VC and technology ecosystem profile in the province and beyond.

Ultimate outcome (beyond fiscal 2025/26):

5. A thriving and self-sustaining VC industry in Alberta.

We measure our results by using Key Performance Indicators with set targets.

Intermediate Outcomes (fiscal 2025/26)

Outcomes	KPI linked to outcome
1. A highly connected Alberta ecosystem (connecting investors to entrepreneurs, and investors to investors)	• Number of verified startup and investor profiles on Start Alberta[26]
2. Access to relevant resources resulting in investable Alberta companies	• Total AEC fund commitments to date (# funds legally closed) • Total AB-based Venture Capital professionals linked to AEC funds
3. A growing, knowledgeable, and engaged Alberta VC industry	• Total AB-based Venture Capital professionals linked to AEC funds • Number of verified startup and investor profiles on Start Alberta
4. A stronger Alberta VC and technology ecosystem profile in the province and beyond	• Total $ invested by AEC funds and syndicate investors into AB companies

[26] The total number of verified startups and investors with profiles on StartAlberta.com. A startup or investor is verified manually by dealroom.co's data team. The data source is from both live snapshots taken from StartAlberta.com as well as quarterly reports sent from dealroom.co to AEC's Industry Development team.

Ultimate Outcomes (fiscal 2025/26)	
Outcomes	**KPI linked to outcome**
5. A thriving and self-sustaining VC industry in Alberta	• Total AB-based Venture Capital professionals linked to AEC funds • Number of verified startup and investor profiles on Start Alberta • Direct Alberta jobs created in AEC portfolio companies

RESULTS: INDUSTRY DEVELOPMENT

Intermediate Outcomes

Outcomes

1. A highly connected Alberta ecosystem (connecting investors to entrepreneurs and investors to investors)

Results and Discussion

Key Performance Indicator: *Number of verified startup and investor profiles created on StartAlberta.com*

Target: *2,300 startups and 550 investors*

To measure this outcome, AEC reviews several factors, including the number of startup and investor profiles created on StartAlberta.com.

As of March 31, 2026, there were 2,525 startups and 684 investors with profiles on StartAlberta.com. The number of investors far surpassed the target of 550 and the number of startups exceeded the target of 2,300. A concerted effort to promote Start Alberta to the investor and tech community, a net growth in startup creation and an increase of investors participating in Alberta financing rounds has had a positive impact on the number of verified profiles on the platform.

During 2025/26, AEC supported several initiatives that focused on connecting Alberta entrepreneurs with investors, and investors to investors:

- **2025 CVCA Invest Canada Conference:** Invest Canada is the country's leading conference for venture capital and private equity professionals, serving as a key national platform for investment, insights, and relationship building. In 2025, AEC co-presented the conference to maximize its impact while hosted in Calgary, creating a unique opportunity to showcase Alberta's growing innovation ecosystem to a national audience. AEC moderated a fireside chat with Pulitzer Prize-nominated journalist and *The Key Man* co-author Simon Clark. The session focused on due diligence failures, contributing to the conference's thought leadership programming.
- **The Venture Capital Association of Alberta (VCAA):** The VCAA is instrumental in connecting VC investors, providing education, and advocating on behalf of the VC industry. AEC's Director of Industry Development serves as the Board Chair of the VCAA. They helped guide the VCCA through its transition from a part-time to full-time Executive Director, expanding the organization's capacity to add value to Alberta's VC ecosystem. AEC's Industry Development team also participates in several committees, including Education and Events, Finance and Membership, and Governance and Compensation – helping to shape the objectives, reach, and strategy of the organization's initiatives. The VCAA Conference and Ski Day is the organization's keystone event, bringing investors from across North America together to network and learn from world class panelists. AEC was deeply involved in the planning of this event, which attracted over 175 attendees, with over 38% coming from outside Alberta. Beyond the conference, VCAA hosted several networking focused socials along with a deal flow initiative where members share vetted deals to increase collaboration and syndication.
- **Startup TNT Investment Summits:** Startup TNT brings together seed stage companies looking to raise capital through a structured due diligence process, preparing them for the summit where selected companies receive capital from the TNT syndicate and side deals directly from angels. This year they hosted their 11th and 12th investment summits. AEC continues to sponsor and actively support Startup TNT summits by raising awareness, supporting with attendance, and participating on the YYC Advisory Board.

Outcomes

Results and Discussion

- **Banff Venture Forum (BVF):** AEC sponsored the 2-day event which brought together 250+ investors, founders, and ecosystem leaders from across the country to connect, learn, and have valuable conversations about the current state of the VC market, growing a company, and the political and economic climate impacting industry. AEC presented an Industry Outlook, hosted a roundtable on exits, and moderated a Meet the Investors panel discussion.
- **InterGen Activate:** AEC sponsored InterGen Activate's 2025 program to connect investors through socials, educational programming, and opportunities to share deal flow. Throughout the year, InterGen hosted four high impact events targeted at accredited investors on various topics pertaining to angel investor education, focusing on the path entrepreneurs and early investors take to achieve a successful exit.

Outcomes

2. Access to relevant resources resulting in investable Alberta companies

Results and Discussion

Key Performance Indicator: *Total AEC fund commitments to date, measured by new AEC fund commitments during the fiscal year (funds approved and legally closed)*

Target: *4 fund investments approved, and 3 fund investments legally closed over 2025/26*

Key Performance Indicator: *Total Alberta-based Venture Capital professionals linked to AEC funds*

Target: *Increase to 35 investment professionals by end of 2025/26*

To measure this outcome, AEC reviews several factors, including how many fund commitments we have made during the year. This measure has been discussed in previous sections.

During 2025/26 we led and supported initiatives that created access to relevant resources for tech companies:

- **House 831 Event Series:** AEC sponsored House 831, an ecosystem for founders and builders, to run a series of investor office hours and pitch nights to help founders on their growth journeys. Over the year, House 831 hosted monthly office hours for founders to connect with and receive strategic advice and feedback with VC funds. House 831 also hosted a quarterly pitch night providing founders the opportunity to pitch to a closed room of sector and stage-aligned investors.
- **ClassRebel Venture Finance Education:** AEC sponsored ClassRebel to run a Fundraising for Startups course, targeted at founders to help them improve their knowledge around the mechanics and language of VC. Each course has seats for 25 founders, with a participation target of 300 founders by the end of 2027. To date, participation has been 35% rural and 65% urban. As part of the sponsorship, Albertan Founders can participate for free.
- **ABF4:** AEC sponsored the Alberta Female Founders, Funders and Fortifiers for their yearly events program supporting females in tech through networking and curated content events. ABF4 hosted a Pre-Banff Venture Forum Speed Networking Lunch, a Reverse Pitch event, as well as Pitch Perfect, a conference season pitch warmup and feedback event.
- **Upper Bound:** AEC Sponsored Upper Bound, presented by the Alberta Machine Intelligence Institute (Amii), which broug ht together AI professionals, researchers, business leaders, and students to discuss and learn about the practical applications and potential of AI. AEC's CEO moderated a panel on Investing in AI, with panelists from Inovia Capital, Pamir Ventures, Dentons, and AsterQuanta, which provided attendees a real view on how VC's perform diligence on and invest in AI companies.

Outcomes

3. A growing, knowledgeable, and engaged Alberta VC industry.

Results and Discussion

Key Performance Indicator: *Total Alberta-based Venture Capital professionals linked to AEC funds*

Target: *Increase to 35 investment professionals by end of 2025/26*

Key Performance Indicator: *Number of verified startup and investor profiles created on StartAlberta.com*

Target: *2,300 startups and 550 investors*

To measure this outcome, AEC reviews several factors, including the number of verified startups and investor profiles created on StartAlberta.com. This measure has been discussed in previous sections.

During 2025/26 we led and supported events that contributed to a growing, knowledgeable and engaged Alberta VC industry:

Education and Capability Building:

- **Educating and Attracting New Investors:** AEC prioritizes education as a key lever to both attract new investors to the asset class and build a more informed capital base in the province. Through initiatives such as LP 101, delivered in partnership with organizations including Osler, Intergen, and VCAA, AEC helps prospective investors and high net worth individuals better understand Venture Capital and how to participate effectively. These efforts are complemented by AEC sponsored programs such as Startup TNT, ClassRebel's Investor Stream, and Intergen Activate, which provide accessible entry points into angel and early-stage investing and contribute to a broader, more engaged investor community.
- **Developing VCs and VC Talent:** AEC is focused on developing the next generation of Alberta-based VC professionals and emerging managers to support long term industry growth. This includes supporting programs such as the University of Alberta's VC/PE Club and CVCA's adVENTURE series, as well as mentorship-driven initiatives like Front Row Ventures, where experienced investors are connected with student associates to build practical investing skills and judgment. Through its partnership with VCAA, AEC also supports targeted sessions on term sheets, governance, and venture best practices, strengthening the capabilities of active investors and fund managers in the province. AEC further works to develop materials and provide mentorship that support emerging managers, helping to expand the pool of local VC talent and reinforce the foundation of Alberta's venture ecosystem.

Engagement and Ecosystem Participation:

- AEC actively works to increase engagement within the VC ecosystem by convening investors and encouraging participation in initiatives that connect funds, founders, and partners. Through direct outreach and collaboration, AEC regularly invites its portfolio funds and broader network to engage in ecosystem events and programming, strengthening relationships and increasing visibility of opportunities in Alberta. Through its partnership with VCAA, AEC also supports ongoing member engagement via curated events and peer forums, helping to connect Alberta-based investors with each other and with national peers, and fostering a more cohesive and active venture community.

4. A stronger Alberta VC and technology ecosystem profile in the province and beyond.

Key Performance Indicator: *Total dollars invested by AEC funds and syndicate partners into Alberta companies*

Target: *Increase to $1.391 billion by end of 2025/26*

To measure this outcome, AEC reviews several factors, including the total private syndicate capital attracted to Alberta companies by AEC funds. This measure has been discussed in previous sections.

During 2025/26 we led and supported initiatives that build a stronger Alberta VC and technology ecosystem profile within the province and beyond.

Outcomes	Results and Discussion

- **Startup Awards, Launch Parties and Innovation Weeks:** AEC sponsored and attended the YEG Startup Community Awards, The Start Alberta Tech Awards, Calgary and Edmonton Launch Parties, and Calgary and Edmonton Innovation weeks. These events bring together all stakeholders in the innovation ecosystem to share knowledge, celebrate the industry and amplify the innovative work done in Alberta's tech ecosystem.
- **C100:** AEC sponsored the C100 for 2025/2026, to connect tech entrepreneurs with the expertise, networks, & resources of the Bay Area, Toronto, & Global Membership. The program brings together 20 Canadian founders (including 4 representatives from Calgary – OraQ AI, Nimble Science, MedEssist and Virtuo), with an international network of investors, builders, and operators.
- **Storytelling:** While AEC has always amplified positive ecosystem Albertan news (fundraises, exits, etc.), this year we took a more active role crafting data-backed stories that showcase Alberta founders, fund managers, and cross-province co-investment ties. As a result, AEC put together a booklet of 19 of Alberta's top tech sector success stories from AEC's portfolio companies which were shared via a social media campaign as well as hosted on AEC's newly launched website.
- **MIT REAP:** AEC is participating in the MIT Regional Entrepreneurship Acceleration Program (REAP), a two-year, cohort-based initiative designed to strengthen and accelerate regional innovation ecosystems. As part of the program, Team Edmonton, comprised of leaders from government, universities, investors, corporates, and entrepreneurs recently convened in Heilbronn-Franconia, Germany alongside global cohort peers to exchange best practices and refine Edmonton's innovation strategy. Drawing on extensive ecosystem research conducted over the past several years, the team has defined a strategy to deepen corporate engagement in Edmonton's areas of comparative advantage. The first focus area is defense and dual-use technologies, recognizing the region's emerging strengths and the growing global demand for innovation in this sector. Through REAP, Team Edmonton is working to translate these strategic priorities into coordinated action that accelerates commercialization, attracts capital, and strengthens Edmonton's position as a globally competitive innovation hub.
- **Supporting ecosystem partners with VC Fund engagement:** As more VC funds express interest in the province, AEC has taken an active role in supporting organizations like Calgary Economic Development (CED), Invest Alberta, Platform Calgary, and Edmonton Unlimited in their discussions with funds. AEC shared information about relevant deal flow, facilitated connections to other ecosystem partners, and provided valuable data on the growth of the space. This has resulted in many funds regularly traveling to Alberta to meet founders, with several seeking to establish a full-time presence in the province

During 2025/26 we facilitated discussions between ecosystem stakeholders to identify and address gaps and collect and share information on the tech ecosystem to enable data-backed decision making:

- **CVCA Reporting and Data Committee:** AEC collects and shares VC deal data to the CVCA on behalf of the Alberta ecosystem. AEC's Director of Industry Development is also a member of the CVCA's Data Committee. This effort ensures deals which would otherwise go unreported get included in the quarterly VC Market Reports, which are referenced by media, GoA, and other key stakeholders.
- **Venture Capital Industry Insight:** AEC provided subject matter expertise to municipal, provincial and federal organizations including CED, Opportunities Calgary Investment Fund (OCIF), Edmonton Unlimited, Prairies Economic Development Canada, Invest Alberta, ISED and others. Discussion items included the makeup of Alberta's technology companies, and the equity funding gaps that exist in the province.

Outcomes

Results and Discussion

- **Calgary Data Collective:** AEC participated in a newly formed group of Calgary ecosystem stakeholders intent on defining and tracking indicators that can substantiate the ecosystem's health, growth, and impact. This initiative reflects a shared commitment to move beyond anecdotes toward actionable insights that strengthen Calgary's position as a thriving hub for innovation.
- **Provincial Peer Benchmarking:** AEC continues to work with our provincial peers to enhance the collection and benchmarking of fund level data. This collaboration has identified the need for a Canadian oriented view of VC fund performance to inform and strengthen the broader Canadian Venture Capital ecosystem. Conversations are now progressing with other key Canadian organizations to establish a pan-Canadian fund benchmark.

Ultimate Outcomes

Outcomes

5. A thriving and self-sustaining VC and technology industry in Alberta

Results and Discussion

Key Performance Indicator: *Number of verified startup and investor profiles created on StartAlberta.com*

Target: *2,300 startups and 550 investors*

Key Performance Indicator: *Total Alberta-based Venture Capital professionals linked to AEC funds*

Target: *Increase to 35 investment professionals by end of 2025/26*

Key Performance Indicator: *Total direct Alberta jobs created in AEC's portfolio companies*

Target: *Increase number of direct Alberta jobs by 200 employees (to 3,833) at end of 2025/26*

To measure this outcome, AEC reviews several factors, including the number of startup and investor profiles created on Start Alberta and direct Alberta jobs created in AEC portfolio companies. These measures and the other strategies tied to this outcome have been discussed in previous sections.

AEC works to fill gaps in the ecosystem and create links between organizations. With a relatively small amount of capital, AEC can effectively and efficiently enhance the Alberta innovation ecosystem. Our approach is highly collaborative. Rather than building a large team within AEC, we take a lean partnership approach, working with many public and private organizations to fulfill our mandate. This collaborative approach allows our organization to have a broad reach, delivering outcomes far beyond the capacity of our small team, while keeping operating costs very low. Leveraging our investment capital and engaging a breadth of stakeholders is the key to our success.

While Alberta's tech sector is still considered in its early stages of development, the data shows Alberta's efforts to promote innovation are yielding results. In 2025, Alberta saw $465 million invested across 73 deals[27]. As of the end of 2025, Alberta's 10-year compounded annual growth rate (CAGR) for VC deal count was **15%**, while Canada's was **0.58%**. Alberta's consistent growth at a faster rate than Canada's over the past decade shows promising progress toward a more diversified economy, as the technology sector becomes a true competitive advantage for Alberta. As more companies stay and grow in Alberta, it is imperative that we are proactive in ensuring the necessary resources are available to support the founders of these maturing companies.

[27] 2025 Year In Review Canadian Venture Capital Market Overview, CVCA.

OPERATIONAL OVERVIEW: OPERATIONS AND FINANCE

The activities of AEC are managed by our team of 12 employees who oversee investment, industry development, finance and accounting, operations, human resources and IT.

The following strategies and outcomes serve as KPIs for Operations and Finance.

Intermediate Outcomes

Outcome	KPI linked to outcome
HR: An effective and engaged workforce resulting in a high performing team	• % of employees participating in training and development
Finance: Accurate financial reporting that informs Albertans about AEC's financial performance and prudent use of taxpayers' dollars allocated to AEC	• Clean audit report • Expenses within approved budget
IT/Cyber: Effective/robust and secure IT infrastructure and systems that enable the team to work effectively and with appropriate risk management	• Employee completion rate of security and awareness training
Marketing/Communications: A stronger Alberta VC and technology ecosystem profile in the province and beyond	• Total $ invested by AEC funds and syndicate investors into AB companies

Ultimate Outcome

Outcome	KPI linked to outcome
Streamlined and resilient operational framework that is aligned to effectively meet mandate and create a positive work environment that promotes employee engagement, satisfaction, and continuous professional development	• % of employees participating in training and development • Clean audit report • Expenses within approved budget • Employee completion rate of security and awareness training

RESULTS: OPERATIONS AND FINANCE

Intermediate Outcomes

Outcomes	Results and Discussion
HR: An effective and engaged workforce resulting in a high performing team	***Key Performance Indicator:*** *% of employees participating in training and development* ***Target:*** *100%* AEC achieved 100% completion of employee training 2025/26. Training and development of our team are fundamental for fostering a consistent, skilled, engaged, and collaborative workforce. This foundation is essential for driving high performance and achieving organizational goals. Throughout the year, AEC has been working on the compensation framework which is due for submission to the Government of Alberta on June 30, 2026.
Finance: Accurate financial reporting that informs Albertans about AEC's financial performance and prudent use of taxpayers' dollars allocated to AEC	***Key Performance Indicator:*** *Clean audit report* ***Target:*** *Audit free of material misstatements* ***Key Performance Indicator:*** *Expenses within approved budget* ***Target:*** *AEC operating expenses are within budget.* To measure this outcome, AEC evaluates several factors, including accurate financial reporting which is reflected on a clean audit report, operating expenses within budget and adherence to established internal controls and different legislations affecting AEC. For fiscal year 2025/26, AEC's financial statements are free of material misstatements. The operating expenses for the year amount to $3.9 million, which is $383,000 or 9% under budget. This favorable variance resulted from rescheduling of planned activities and prudent expense management.

Outcomes

IT/Cyber: Effective/robust and secure IT infrastructure while ensuring the team can work effectively and with appropriate risk management

Results and Discussion

Key Performance Indicator: *Employee completion rate of security and awareness training*

Target: *100%*

To measure this outcome, AEC evaluates several factors, including IT security, awareness, posture and equipment, which are all essential in maintaining a secure IT infrastructure.

Regular IT training is vital to keep the AEC team updated with the latest technologies and best practices, ensuring everyone is equipped to handle their tasks efficiently. Continuous enhancement guarantees adaptability to evolving demands. The AEC team completed all assigned IT security and awareness training in 2025/26.

Marketing/Communications: A stronger Alberta VC and technology ecosystem profile in the province and beyond

Key Performance Indicator: *Total $ invested by AEC funds and syndicate investors into AB companies*

Target: *GoA target $1.391B for 2025/26*

To measure this outcome, AEC reviews several factors, including the total private syndicate capital attracted to Alberta companies by AEC funds. This measure has been discussed in previous sections.

During 2025/26 we ensured that our mission statement is clear, concise and prominently displayed on our website, social media profiles and marketing materials. AEC clearly articulates the unique value we bring to our stakeholders by highlighting success stories, press release fund investments, host educational events, support and facilitate initiatives and discussions that build stronger Alberta VC and technology ecosystem profile in the province and beyond.

Ultimate Outcome

Streamlined and resilient operational framework that is aligned to effectively meet mandate and create a positive work environment that promotes employee engagement, satisfaction, and continuous professional development.

Results and Discussions

Key Performance Indicator: *% of employees participating in training and development*

Target: *100%*

Key Performance Indicator: *Clean audit report*

Target: *Audit free of material misstatements*

Key Performance Indicator: *Expenses within approved budget*

Target: *AEC operating expenses are within budget.*

Key Performance Indicator: *Employee completion rate of security and awareness training*

Target: *100%*

See above for detailed discussions of results.

OPERATIONAL BUDGET AND CAPITAL DEPLOYMENT

Capital Deployment and Investments

The $350 million capital received from the Government of Alberta has been fully committed – and is no longer available to support new investment. This means AEC is now making new investments strictly with the distributions received from the funds.

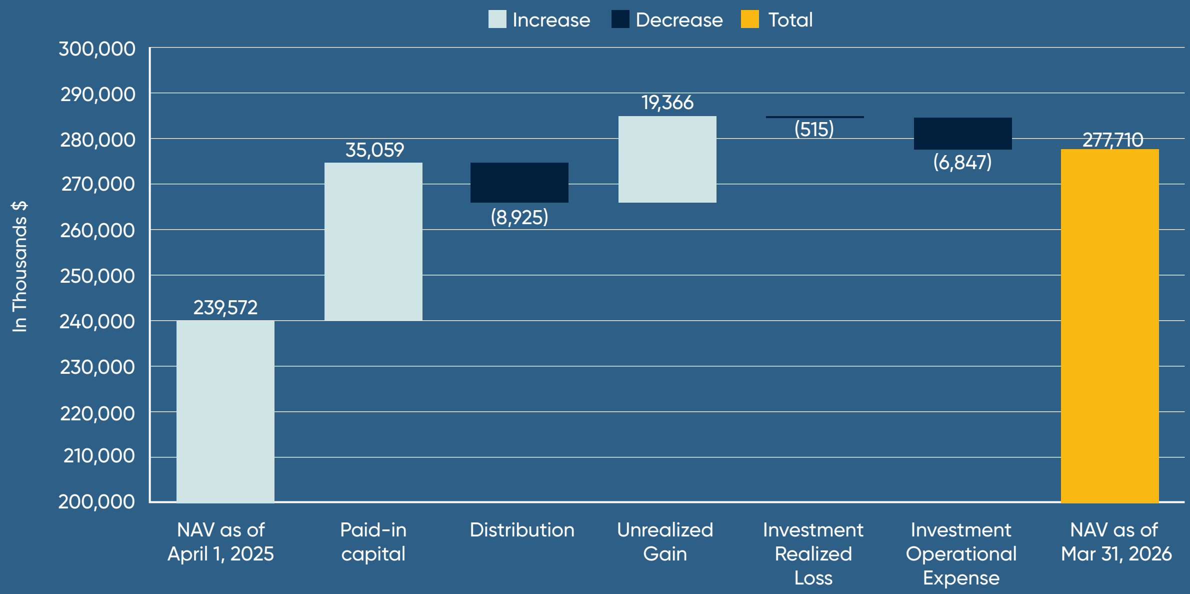
In 2025/2026 AEC had committed capital of $401.9 million for active investments (compared to $407.2 million in 2024/25) and $32.9 million for three investments no longer active (compared to $22.9 million in 2024/25). This represents a total capital commitment of $434.8 million (compared to $429.7 million in 2024/25). Eighteen of our investments are in US dollars and the total capital committed is therefore impacted by the weaker Canadian dollar as compared to the US dollar.

In fiscal year 2025/26, AEC disbursed $35.1 million to the Limited Partnerships in which we have invested (compared to $34.5 million in 2024/25).

Investment commitments are drawn over multiple years. In order to meet our remaining commitments, the balance of committed capital is held as cash until such time as it is drawn down upon. The Corporation currently holds $58.5 million in cash (2024/25: $62.1 million), including $7.3 million denominated in US dollars (2024/25: $1.8 million), and has $85.1 million receivable primarily from the Government of Alberta (2024/25: $110.1 million). The change in cash is a net result of capital disbursed to the funds and distributions received from the funds.

For the fiscal year ended 2025/26, our investments were valued at $277.7 million, which is an increase of $38.1 million from fiscal year ended 2024/25. The value of the investments increases with new investments added, capital calls, adjusted for fair value adjustments and decreases when we receive distributions and when we sell or exit a fund. An impairment of $399,000 was recognized for a fund that met the impairment criteria under AEC's impairment policy.

Changes in value form part of net assets and are not captured as income or losses (i.e. realized) until the investments are sold by the Limited Partnerships or wound down. Any unrealized gains or losses are captured in the Statement of Remeasurement Gains and Losses. Despite losses realized in the Statement of Operations, the overall investment portfolio experienced growth, with one new investment and unrealized gains reflected in the Statement of Remeasurement Gains and Losses. The Net Remeasurement Gains for the year amount to $19.4 million, comprising $23.9 million of unrealized gains from portfolio investments and $5.0 million loss attributable to foreign exchange. The change in accumulated remeasurement gains includes $515,000 of realized losses reclassified to the Statement of Operations. Refer to the chart below for a detailed view of the investment progress during the year.



Operational Budget and Statement of Operations

AEC's 2025/26 operating budget was $4.26 million. There was no additional capital allocated to AEC during the fiscal year 2025/26.

The Statement of Operations shows other revenue of $1.3 million, which is the interest earned from our bank accounts.

Over the 2025/26 fiscal year, investment expenses were $242,053 not including overhead in the form of salaries, office or the Board. This was 17% below budget. With only one fund added during the year, legal fees were much lower than budgeted.

The industry development expenses were $458,929, not including overhead in the form of salaries, office or the Board. Included in this expense is the ongoing support for Start Alberta and AEC's participation in the MIT Regional Entrepreneurship Acceleration Program.
This is on target with our budget.

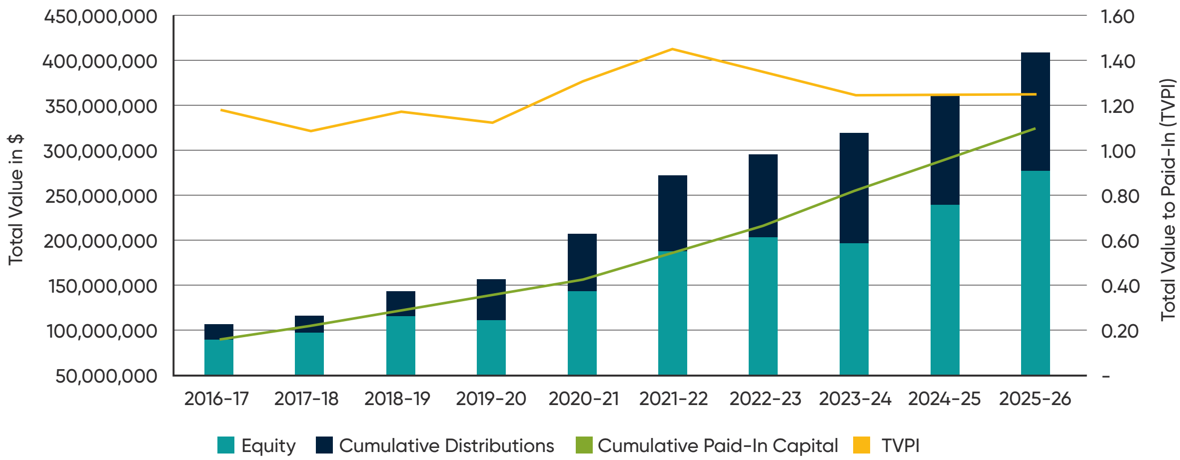
Our operational cost was $3,044,870 which is 9% below the budget. The variance is due to prudent management of our expenses.

The Board expenses were $129,432, which is 27% below budget. This is due to lower-than-budgeted travel and training expenses.

AEC records a proportionate share of any realized gains or losses of the Limited Partnerships. The net investment loss of $7.4 million was due to realized losses from funds exiting positions in underperforming companies with minimal or no proceeds returned to Limited Partners. The investment operational expenses with one new fund added, reflects the impact of the J-curve. Impairment loss was also recognized for a fund that shows indicators of impairment according to AEC's impairment policy. Normally any realized losses are offset by realized gains and distributions. For fiscal year 2025/26, distribution received was $8.9 million, which is an increase from $2.9 million in the previous year, however still not large enough to offset the naturally occurring realized losses. The Venture Capital market continued to face challenges with limited mergers and acquisitions and initial public offerings, contributing to the overall investment performance.

The annual deficit for fiscal year 2025/26 was $10.1 million, an improvement over last year's deficit of $14.1 million. The continued challenges in the Venture Capital market affected overall investment performance. Since our operating costs are self-funded, we normally expect an annual deficit, offset by realized gains from our investments and interest expense, resulting in a surplus (operations and investments).

The Statement of Operations only captures realized gains for the current fiscal year. To assess the total performance of our fund investments, rather than looking at the results for individual years, it is important to review the Total Value to Paid-In capital (TVPI) over time. Our portfolio is currently showing a TVPI of 1.26. A TVPI of >1 means the value of the investment is above the total amount of capital invested, including management fees. The graph below illustrates that over time, AEC's TVPI has consistently exceeded 1.



The financial statements are consistent with Canadian Public Sector accounting standards for investments in Limited Partnerships in both the Private Equity and Venture Capital industries.

LOOKING AHEAD

AEC's mission is to foster a thriving VC industry in Alberta: one that provides access to Venture Capital and other resources needed to create successful Alberta technology companies. To improve our effectiveness in achieving this mission, we reflect on our past performance to identify key learnings, to continually assess and manage our key risks, and to conduct an annual situation analysis, mapping key opportunities to incorporate in our approach.

To build a sustainable VC industry in Alberta will require patience and ongoing investments from AEC. We have been investing in VC funds since 2010. However, as noted above, a typical VC fund has a life that extends beyond 10 years. As such, it is still too early to predict the full impact of AEC's activities. Over our investment history we have achieved excellent results, yet we are fully aware that building a self-sustainable VC industry can take decades.

To achieve a self-sustainable VC industry, we need to continue to:

1. Create a VC fund portfolio that is aligned with Alberta deal flow.
2. Invest in VCs that establish or maintain an Alberta focus and presence and bring key investment skills to Alberta.
3. Attract new VCs to Alberta.
4. Reinvest in high-performing existing fund managers.
5. Find and champion fund solutions that address critical gaps.
6. Help build local Alberta-based funds and managers.
7. Steward our capital and be an engaged Limited Partner.

There are now more Venture Capital funds active in the province than ever before. The investment ecosystem is starting to flourish. Alberta's Venture Capital performance continues to outperform. However, Alberta is still lagging behind other technology hubs in some respects such as capital invested. While Alberta's VC sector has achieved some scale, we are expecting the demand for capital will outpace the provincial supply.

Looking ahead, there are some major changes coming. In April 2026 the Government of Alberta published the Alberta Technology and Innovation Strategy (ATIS) 2.0[28]. In addition to a plan for recapitalizing AEC, ATIS 2.0 also outlines a mandate change for AEC allowing co-investment. We will prepare for both scenarios. As the Venture industry is struggling with negative cash flows, after closing the funds already approved, we are planning to slow our investment phasing until new capital is secured. Other major projects for the coming year include finalizing the new Compensation Framework as outlined by the GoA and completing a new Deal Flow Study.

Building a Venture Capital industry is a long-term project which requires patience and a continued commitment of capital. We are looking forward to expanding our efforts and creating further return on investment for Alberta.

As Alberta entrepreneurs have long understood... nothing ventured, nothing gained.

[28] https://www.alberta.ca/alberta-technology-and-innovation-strategy

CORPORATE GOVERNANCE STATEMENT

Management of the Company

The business and affairs of the Corporation are managed by or under the direction or supervision of the Board of Directors (the Board). The Board exercises all powers of the company not required to be exercised by the shareholders.

Board of Directors

The Board meets four to eight times per year and as required for strategic planning purposes and to progress specific decisions. The Board is accountable to the shareholder, the Minister of Technology and Innovation, in the manner set out in the *Alberta Enterprise Corporation Act*, Alberta Enterprise Corporation Regulation, the Alberta Enterprise Corporation Transfer Agreement and our Mandates and Roles Document.

The Board establishes strategic policy, guides and monitors the business and affairs of the Corporation on behalf of the shareholder, and is committed to a high standard of corporate governance. Responsibility for the operation and administration of the company is delegated to the President and CEO, who is accountable to the Board. In particular, the Board places emphasis on implementation of Venture Capital best practices, sound administrative systems and procedures, and regulatory compliance.

The directors are appointed by the Lieutenant Governor in Council. A director holds office for a term fixed in the order appointing the director, which term must not exceed three years. AEC's Board of Directors presently includes seven external and independent members.

Governance Review

A governance review is undertaken annually, to ensure the effectiveness of governance structures.

Conflict of Interest Policy and Procedures

As outlined in the AEC Code of Conduct and Ethical Standards, a conflict of interest exists when an individual's private interests interfere or conflict with, or appear to interfere or conflict with, the interests of the Corporation. A conflict situation may arise when an employee, officer, or director takes actions or has interests that may make it difficult to perform his or her professional obligations objectively and effectively, or when he or she otherwise takes action that is inconsistent with the interests of the Corporation for his or her direct or indirect benefit or for the direct or indirect benefit of a third party. A conflict of interest may also arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Corporation, whether received from the Corporation or a third party. Loans to or guarantees of obligations of employees or any of their respective family members are likely to amount to conflicts of interest as are transactions of any kind between the Corporation and any other entity in which an employee, officer or director has a material interest.

Conflicts of interest are prohibited as a matter of corporate policy, except as specifically approved by the Corporation's Board of Directors and in accordance with applicable laws and regulations. It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interest must be reported immediately to senior management.

FINANCIALS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL REPORTING

AEC's management is responsible for the preparation, accuracy, objectivity and integrity of the information contained in the annual report, including the financial statements, performance results, and supporting management information. Systems of internal control are designed and maintained to produce reliable information that meets reporting requirements, and to ensure that transactions are properly authorized, reliable financial records are maintained, assets are properly accounted for and safeguarded, and relevant legislation and policies are complied with. Corporate business plans, performance results and the supporting management information are also integral to both financial and performance reporting.

The annual report has been approved by the Board of Directors and is prepared in accordance with Ministerial guidelines.

The Auditor General of Alberta, the Corporation's external auditor appointed under the *Auditor General Act*, performs an annual independent audit of AEC's financial statements in accordance with Canadian generally accepted auditing standards.

[Original signed by]

Kristina Williams
President and CEO

June 2, 2026

[Original signed by]

Jennie Allen
Chief Financial Officer

June 2, 2026

Independent Auditor's Report

Auditor General OF ALBERTA

To the Board of Directors of Alberta Enterprise Corporation

Report on the Financial Statements

Opinion

I have audited the financial statements of Alberta Enterprise Corporation (the Corporation), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2026, and the results of its operations, its remeasurement gains and losses, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Corporation in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by Phillip D. Peters FCPA, FCA, KC]
Auditor General of Alberta

June 2, 2026
Edmonton, Alberta

STATEMENT OF OPERATIONS

Year Ended March 31, 2026

(in thousands)	2026		2025
	Budget (Note 4)	Actual	Actual
Revenues			
Interest income	$	$ 1,278	$ 2,957
		1,278	2,957
Expenses (Note 2(b) and Schedule 1)			
Operating costs	4,258	3,875	3,798
	4,258	3,875	3,798
Annual operating deficit	(4,258)	(2,597)	(841)
Net investment (loss) income (Note 7)			
Investment loss		(116)	(4,975)
Investment operational expense		(6,847)	(7,837)
Interest (expense) income		(73)	44
Investment impairment loss		(399)	(802)
		(7,435)	(13,570)
Foreign exchange (loss) gain		(22)	292
Annual deficit	(4,258)	(10,054)	(14,119)
Accumulated surplus, beginning of year		323,309	337,428
Accumulated surplus, end of year		$ 313,255	$ 323,309

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As At March 31, 2026

(in thousands)	**2026**	2025
Financial assets		
Cash and cash equivalents (Note 5)	**$ 58,506**	$ 62,084
Accounts receivable (Note 6)	**85,098**	110,147
Prepayment capital contribution	**1,220**	1,277
Portfolio investments (Note 7)	**277,710**	239,572
	422,534	413,080
Liabilities		
Accounts payable and other accrued liabilities	**663**	557
Net financial assets	**421,871**	412,523
Non-financial assets		
Tangible capital asset (Note 10)	**272**	310
Prepaid expenses	**67**	65
	339	375
Net assets	**$ 422,210**	$ 412,898
Net assets		
Accumulated surplus	**$ 313,255**	$ 323,309
Accumulated remeasurement gains	**108,955**	89,589
	$ 422,210	$ 412,898

Contractual rights (Note 8)

Contractual obligations (Note 9)

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

Year Ended March 31, 2026

(in thousands)	2026		2025
	Budget (Note 4)	**Actual**	**Actual**
Annual deficit	**$ (4,258)**	**$ (10,054)**	$ (14,119)
Amortization of tangible capital assets (Note 10)		**38**	38
Net remeasurement gains (Note 7)		**19,366**	23,999
(Increase) decrease in prepaid expenses		**(2)**	102
Increase in net financial assets		**9,348**	10,020
Net financial assets at beginning of year		**412,523**	402,503
Net financial assets at end of year		**$ 421,871**	$ 412,523

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

Year Ended March 31, 2026

(in thousands)		2026		2025
Unrealized gains (losses) attributed to:				
Portfolio investments	$	**23,859**	$	11,027
Foreign exchange		**(5,008)**		7,195
Amounts Reclassified to the Statement of Operations:				
Portfolio investments - realized losses on investments		**515**		5,777
Net remeasurement gains for the period (Note 7)		**19,366**		23,999
Accumulated remeasurement gains at beginning of year		**89,589**		65,590
Accumulated remeasurement gains at end of year	$	**108,955**	$	89,589

The accompanying notes and schedules are part of these financial statements.

STATEMENT OF CASH FLOWS

Year Ended March 31, 2026

(in thousands)	**2026**	2025
Operating transactions		
Annual deficit	**$ (10,054)**	$ (14,119)
Non-cash items included in annual deficit:		
Loss on portfolio investments (Note 7)	**6,963**	12,812
Investment impairment loss (Note 7)	**399**	802
Amortization of tangible capital assets (Note 10)	**38**	38
	(2,654)	(467)
Decrease in accounts receivable	**25,049**	15,358
Decrease (increase) in prepayment capital contribution	**57**	(1,164)
Increase (decrease) in accounts payable and other accrued liabilities	**106**	(3,848)
Increase in prepaid expenses	**(2)**	(11)
Cash provided by operating transactions	**22,556**	9,868
Investing transactions		
Purchase of portfolio investments (Note 7)	**(35,059)**	(34,490)
Distributions received from limited partnerships (Note 7)	**8,925**	2,947
Cash applied to investing transactions	**(26,134)**	(31,543)
Decrease in cash and cash equivalents	**(3,578)**	(21,676)
Cash and cash equivalents at beginning of year	**62,084**	83,760
Cash and cash equivalents at end of year	**$ 58,506**	$ 62,084

The accompanying notes and schedules are part of these financial statements.

Notes to the Financial Statements

March 31, 2026

Note 1 Authority

The Alberta Enterprise Corporation (the Corporation) is a Provincial Corporation that operates under the authority of the *Alberta Enterprise Corporation Act*.

The Corporation was established on December 5, 2008 and is part of a strategy to encourage technology commercialization and promote growth in Alberta's venture capital industry.

The Corporation is exempt from income taxes under the *Income Tax Act*.

Note 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

(a) Reporting Entity

The reporting entity is the Corporation, which is part of the Ministry of Technology and Innovation (the Ministry) and for which the Minister of Technology and Innovation (the Minister) is accountable. Other entities accountable to the Minister are the Department of Technology and Innovation (the Department) and Alberta Innovates. The activities of these organizations are not included in these financial statements.

The Ministry Annual Report provides a more comprehensive accounting of the financial positions and results of the Ministry's operations for which the Minister is accountable.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for goods and/or services not yet provided before year end is recognized as unearned revenue and recorded in accounts payable and other accrued liabilities.

Government transfers

Transfers from all governments are referred to as government transfers.

Government transfers and associated externally restricted investment income are recognized as deferred contributions when the stipulations together with the Corporation's actions and communications as to the use of the transfer, create a liability. These transfers are recognized as revenue as the stipulations are met and, when applicable, the Corporation complies with its communicated use of these transfers.

All other government transfers, without stipulations for the use of the transfer, are recognized as revenue when the transfer is authorized and the Corporation meets the eligibility criteria (if any).

Investment income

Investment income includes dividend and interest income and realized gains or losses on the sale of portfolio investments. Unrealized gains and losses on portfolio investments that are not from restricted transfers, donations or contributions are recognized in the Statement of Remeasurement Gains and Losses until the related investments are sold. Once realized, these gains or losses are recognized in the Statement of Operations.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed. Grants and transfers are recognized as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Valuation of Financial Assets and Liabilities

The Corporation's financial assets and liabilities are generally measured as follows:

Financial Statement Component	Measurement
Cash and cash equivalents	Cost
Accounts receivable	Lower of cost or net recoverable value
Portfolio investments	Fair value
Accounts payable and other accrued liabilities	Cost

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair values of cash, accounts receivable, accounts payable and other accrued liabilities are estimated to approximate their carrying values, because of the short term nature of these instruments.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Financial assets are the Corporation's financial claims on external organizations and individuals, as well as cash at the end of the year.

Cash and cash equivalents

Cash comprises of cash on hand and demand deposits.

Accounts receivable

Accounts receivable are recognized at the lower of cost or net recoverable value. A valuation allowance is recognized when recovery is uncertain.

Portfolio investments

Portfolio investments in limited partnerships are recognized at fair value. Fair value is determined by the limited partnerships based upon valuation techniques considered appropriate by the Corporation and may include techniques such as discounted cash flows, prevailing market values for instruments with similar characteristics and other pricing models as appropriate. The Corporation relies upon the General Partner's valuation of the investments in the limited partnerships.

Unrealized gains and losses from changes in the fair value of portfolio investments are recognized in the Statement of Remeasurement Gains and Losses. Once realized, the cumulative gain or losses previously recognized in the Statement of Remeasurement Gains and Losses are recognized in net investment income in the Statement of Operations.

Portfolio investments are reviewed on an annual basis for impairment. If an impairment deemed other-than-temporary is identified, the cost of the investment is written down to its realizable value. Any impairment losses are included on the Statement of Operations.

A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

Purchases and dispositions of portfolio investments are recognized on the trade date. Management fees paid are expensed in the year.

Liabilities

Liabilities are present obligations of the Corporation to external organizations and individuals arising from past transactions or events occurring before the year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amounts.

Note 2 Summary of Significant Accounting Policies and Reporting Practices (Cont'd)

(b) Basis of Financial Reporting (Cont'd)

Non-Financial Assets

Non-financial assets are acquired, constructed, or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

a) are normally employed to deliver government services;

b) may be consumed in the normal course of operations; and

c) are not for sale in the normal course of operations.

Non-financial assets include tangible capital assets and prepaid expenses.

Tangible capital assets

(in thousands)

Tangible capital assets are recognized at cost less accumulated amortization, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Leasehold improvements	10 Years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Statement of Operations.

The threshold for capitalizing tangible capital assets is $5.

Prepaid expenses

Prepaid expenses is recognized at cost and amortized based on the terms of the agreement.

Foreign currency translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and liabilities and non-monetary items included in the fair value category reflect the exchange rates at the Statement of Financial Position date. Unrealized foreign exchange gains and losses are recognized in the Statement of Remeasurement Gains and Losses.

In the period of settlement, foreign exchange gains and losses are reclassified to the Statement of Operations, and the cumulative amount of remeasurement gains and losses are reversed in the Statement of Remeasurement Gains and Losses.

Measurement Uncertainty

(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Portfolio investments recognized at $277,710 (2025 - $239,572) in these financial statements are subject to measurement uncertainty.

Measurement uncertainty exists with the determination of the fair value of the investments. The fair value of the investments is estimated by the General Partner of each fund. The process of valuing investments for which no published market exists is inevitably based on inherent uncertainties and the resulting values may differ from value that would have been used had a ready market existed for the investments.

Note 3 Future Changes in Accounting Standards

On April 1, 2026, the Corporation will adopt the following new conceptual framework and accounting standards approved by the Public Sector Accounting Board:

- **The Conceptual Framework for Financial Reporting in the Public Sector**

  The Conceptual Framework is the foundation for public sector financial reporting standard setting. It replaces the conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

- **PS 1202 Financial Statement Presentation**

  Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

On April 1, 2029, the Corporation will adopt PS 3251 – Employee Benefits.

- **PS 3251 – Employee Benefits**

  This standard will replace and consolidate two old standards, PS 3250 – Retirement benefits and PS 3255 – Post-employment benefits, Compensated Absences and Termination Benefits. The application of the standard will improve the understandability of the financial reporting of employee benefits and provide better information for accountability purposes.

  Management is currently assessing the impact of the conceptual framework and these standards on the financial statement.

Note 4 Budget

(in thousands)

A business plan with a budgeted deficit of $4,258 was approved by the Board of AEC on March 15, 2025 and the full financial plan was submitted to the Minister of Technology and Innovation. The budget reported in the Statement of Operations reflects the original deficit of $4,258.

Note 5 Cash and Cash Equivalents

(in thousands)

	2026	2025
Cash and cash equivalents	**$** 58,506	$ 62,084

$113,706 (2025 - $143,855) (Note 7) is committed for partnership capital contributions. In addition to cash, distributions from the limited partnerships and the $85,098 (2025 - 110,147) accounts receivable can be used toward future cash calls.

Cash includes $7,303 (2025 - $1,811) denominated in US Dollars (USD).

Note 6 Accounts Receivable

(in thousands)

Accounts receivable are unsecured and non-interest bearing.

		2026		2025
Grant receivable – Government of Alberta	**$**	**85,000**	$	110,000
Other receivable		**98**		147
	$	**85,098**	$	110,147

Note 7 Portfolio Investments

(in thousands)

The Government of Alberta originally allocated $100,000 in 2008 for investments in limited partnerships that provide venture capital in knowledge-based industries. An additional $25,000 was allocated in 2016, $50,000 was allocated in 2017, $75,000 was allocated in 2021, $50,000 was allocated in 2022, and $50,000 was allocated in 2023 for additional investments in limited partnerships. No additional capital was allocated to AEC for the year ended March 31, 2026.

The Corporation is a limited partner in forty one (2025 – forty one) limited partnerships, with thirty eight active (2025 - thirty eight) and three dissolved or exited (2025 - three). $434,807 (2025 - $429,712) has been contributed and committed to these limited partnerships. Committed funds are paid into the limited partnership in amounts and at times determined by the general partner in order to meet the limited partnerships funding requirements. Distributions from the limited partnerships can be used toward future cash calls. The Corporation's contributions to date and commitments are as follows:

Note 7 Portfolio Investments (cont'd)

(in thousands)

1. Active Limited Partnerships		Funds Disbursed to Partnerships for Original Commitment		Remaining Commitments		Total Funds Disbursed and Committed, End of the Year
32 Degrees D.E.Fund II (S&T AIV)	$	9,965	$	35	$	10,000
Accelerate Fund I		10,000		-		10,000
Accelerate Fund II		9,870		130		10,000
Accelerate Fund III		12,525		2,475		15,000
Accelerate Fund IV		2,550		12,450		15,000
Alpaca VC Fund III LP[(a)]		8,280		1,897		10,177
Amplitude Ventures Fund I		4,570		430		5,000
Amplitude Ventures Fund II[(a)]		4,959		5,419		10,378
Azure Capital Partners III[(a)]		11,320		-		11,320
Azure Opportunities Feeder Fund[(a)]		2,647		-		2,647
Builders VC Fund I[(a)]		9,764		105		9,869
Builders II Fund[(a)]		11,701		1,638		13,339
Builders III Fund[(a)]		1,795		8,677		10,472
EnerTech Capital Partners IV[(a)]		18,202		281		18,483
Evok Fund II[(a)]		10,456		3,277		13,733
Flying Fish Fund II QP LP[(a)]		6,966		3,144		10,110
Flying Fish Fund III QP LP[(a)]		6,160		7,771		13,931
Graphite IAF IV LP		5,490		4,510		10,000
iNovia Fund 2018[(a)]		12,808		349		13,157
iNovia Fund V[(a)]		9,547		7,025		16,572
iNovia Growth II[(a)]		15,706		4,286		19,992
Luge Fund II		2,961		7,039		10,000
McRock iNfund		10,000		-		10,000
McRock Fund II		9,050		950		10,000
McRock Fund III[(a)]		1,920		11,997		13,917
Mistral Venture Partners IV LP		2,325		5,175		7,500
New Acres Capital Ag & Food		4,957		43		5,000
Panache Ventures Investment Fund		4,780		220		5,000
Panache Ventures Investment Fund II		5,987		4,013		10,000
Pender Technology Inflection Fund II LP		1,535		3,465		5,000
PillarFour Capital Fund II[(a)]		3,243		747		3,990
Relay Ventures Fund III[(a)]		12,759		481		13,240
Relay Ventures Fund V[(a)]		7,407		6,450		13,857
Sprout II		1,199		1,301		2,500
The51 Food and Agtech Fund I LP		2,521		2,479		5,000
Yaletown Innovation Growth		8,800		1,200		10,000
Yaletown Innovation Growth Fund II		9,453		4,247		13,700
Yaletown Ventures II		14,000		-		14,000
Total - Active Funds	$	288,178	$	113,706	$	401,884
2. Dissolved/ Exited Limited Partnerships						
Avrio Ventures II[(b)]	$	5,980	$	-	$	6,000
Chrysalix Energy III Fund[(a) (b)]		16,545		-		16,923
iNovia Fund III[(b)]		10,000		-		10,000
Total - Dissolved Funds	$	32,525	$	-	$	32,923
Overall Total - March 31, 2026	$	320,703	$	113,706	$	434,807
Overall Total - March 31, 2025	$	286,255	$	143,855	$	429,712

(a) Commitments in USD. Remaining commitments for US funds are converted using the exchange rate at March 31, 2026.
(b) Avrio Ventures II and iNovia Fund III were dissolved on December 31, 2021 and December 24, 2025, respectively. Chrysalix Energy was sold on March 28, 2024. There are no further commitments to these funds.

Note 7 PORTFOLIO INVESTMENTS (Cont'd)

(in thousands)

The changes in the fair values of the Corporation's investments in limited partnerships since April 1, 2025 are as follows:

1. Active Limited partnerships	Investment in partnerships, beginning of year	Funds disbursed to partnerships for investments[b]	Distributions received from limited partnerships	Remeasurement gain (loss)	Limited Partnership's Investment Income (Loss)	Limited Partnership's Operational Expense	Investment in partnership, end of year
32 Degrees D.E. Fund II (S&T AIV) LP	$ 437	$ (21)	$ 21	$ (76)	$ -	$ (15)	$ 346
Accelerate Fund I	4,694	-	(638)	132	(132)	(17)	4,039
Accelerate Fund II	9,909	150	(223)	2,552	(239)	(72)	12,077
Accelerate Fund III	10,175	1,200	(432)	(284)	356	(299)	10,714
Accelerate Fund IV	939	1,364	-	(6)	-	(593)	1,704
Alpaca VC Fund III LP[a]	7,226	1,303	-	(276)	54	(245)	8,064
Amplitude Ventures Fund I	3,132	732	(180)	(677)	(156)	(109)	2,742
Amplitude Ventures Fund II[a]	2,970	1,474	-	812	-	(261)	4,995
Azure Capital Partners III[a]	9,180	-	-	1,825	(1,902)	(166)	8,937
Azure Capital Partners Opportunities Feeder Fund[a]	3,656	-	(187)	280	664	(41)	4,371
Builders VC Fund I[a]	16,582	104	-	(918)	(878)	(112)	14,778
Builders II Fund[a]	14,220	1,534	-	(207)	(1,039)	(275)	14,233
Builders III Fund[a]	1,004	721	-	276	-	(217)	1,784
Enertech Capital Partners IV[a]	4,879	-	-	1,245	(1,241)	(51)	4,831
Evok Fund II[a]	8,453	2,764	-	271	16	(239)	11,265
Flying Fish Fund II QP LP[a]	4,338	1,507	-	243	(25)	(228)	5,835
Flying Fish Fund III QP LP[a]	2,706	3,249	-	(39)	-	(418)	5,498
Graphite IAF IV LP	4,407	1,169	(491)	102	316	(202)	5,302
iNovia Fund 2018[a]	11,056	737	(599)	906	212	(175)	12,137
iNovia Fund III[c]	75	7	(46)	62	(70)	(28)	-
iNovia Fund V[a]	7,340	2,651	-	3,866	-	(42)	13,815
iNovia Growth II[a]	13,568	1,437	(2,258)	357	501	18	13,623
Luge Fund II	747	2,076	-	1,977	-	(601)	4,199
McRock iNfund	14,094	25	-	2,395	85	(20)	16,579
McRock Fund II	6,866	339	(53)	(83)	173	(176)	7,066
McRock Fund III[a]	12	1,595	-	18	-	(260)	1,364
Mistral Venture Partners IV LP	-	2,325	-	383	-	(429)	2,279
New Acres Capital Ag & Food Limited Partnership[c]	405	20	(66)	107	(289)	(2)	175
Panache Ventures	8,377	52	(957)	144	319	(65)	7,870
Panache Ventures II	5,172	1,000	(106)	1,894	(74)	(311)	7,575
Pender Technology Inflection Fund II LP	594	660	-	48	-	(94)	1,208
PillarFour Capital Fund II[a]	4,247	(30)	(30)	4,549	3	(36)	8,702
Relay Ventures Fund III[a]	23,890	95	(2,679)	(4,306)	3,067	(114)	19,955
Relay Ventures Fund V[a]	3,956	1,502	(1)	(14)	16	(335)	5,124
Sprout II	657	362	-	(35)	(58)	(51)	875
The 51 Food &Agtech Fund I LP	595	1,585	-	213	-	(106)	2,288
Yaletown Innovation Growth Fund	7,140	-	-	561	(186)	(217)	7,298
Yaletown Innovation Growth Fund II	8,009	1,370	-	272	1	(235)	9,417
Yaletown Ventures II	13,865	-	-	797	(9)	(8)	14,646
Total Portfolio Investments 2026	$ 239,572	$ 35,059	$ (8,925)	$ 19,366[e]	$ (515)[d][e]	$ (6,847)	$ 277,710
Total Portfolio Investments 2025	$ 197,644	$ 34,490	$ (2,947)	$ 23,999	$ (5,777)	$ (7,837)	$ 239,572

(a) Investments denominated in USD but reported in CAD.

(b) Total funds disbursed at the end of the year was $35,059 (2025 - $34,490), which include management fees and fund expenses of $6,874 (2025 - $7,189).

(c) Impairment of $399 for New Acres included in Limited Partnership's Investment Income (Loss).

(d) The investment loss of $515 (2025 - $5,777) includes $116 of realized loss (2025 - $4,975) and $399 of impairment loss (2025 - $802).

(e) Includes prior period adjustment totalling $5.3 million now recognized as realized income reported in Limited Partnership's Investment Income (Loss) column.

Note 7 PORTFOLIO INVESTMENTS (Cont'd)

(in thousands)

Fair Value Hierarchy

Management is responsible for estimating the relative reliability of data or inputs used by the Corporation to measure the fair value of the Corporation's investments. The measure of reliability is determined based on the following three levels:

Level One: Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities traded in active markets. Level one primarily includes publicly traded listed equity investments.

Level Two: Fair value is based on valuation methods that make use of inputs, other than quoted prices included within level one, that are observable by market participation either directly through quoted prices for similar but not identical assets or indirectly through observable market information used in valuation models. Level two primarily includes debt securities and derivative contracts not traded on a public exchange and public equities not traded in an active market. For these investments, fair values are either derived from a number of prices that are provided by independent pricing sources or from pricing models that use observable market data such as swap curves and credit spreads.

Level Three: Fair value is based on valuation methods where inputs that are based on non-observable market data have a significant impact on the valuation. For these investments trading activity is infrequent and fair values are derived using valuation techniques.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Corporation. The Corporation considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Corporation's perceived risk of that investment

The Corporation's investments have all been classified within level three as the fair value is based on valuation methods where inputs that are based on non-observable market data have a significant impact on valuation. When observable prices are not available for these securities the limited partnerships use one or more valuation techniques (e.g. the market approach, the income approach) for which sufficient and reliable data is available. Within level three, the use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of the estimated future cash flows, adjusted as appropriate for liquidity, credit, market and/or other risk factors.

As quoted market prices are not readily available for private investments, estimated fair values may not reflect amounts that could be realized upon immediate sale, nor amounts that may ultimately be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments.

There were no (2025 – Nil) transfers between levels in the fair value hierarchy.

Note 7 PORTFOLIO INVESTMENTS (Cont'd)

(in thousands)

Financial Risk Management

The Corporation is exposed to interest rate risk, credit risk and various financial risks related to the securities held in the limited partnerships including price risk, foreign currency risk and liquidity risk.

(a) *Interest Rate Risk*

The Corporation's cash is held within the Government of Alberta's Consolidated Liquidity Solution. Returns earned on these balances vary with prevailing short-term interest rates. As a result, the Corporation is exposed to interest-rate risk through changes in interest income on cash balances. An increase or decrease of a one percent change in interest rates would result in an increase or decrease of $585 (2025 - $621) in AEC's annual (deficit) surplus.

(b) *Credit Risk*

Credit risk arises from the potential a counterparty will fail to perform its obligations. The Corporation considers the receivables from the Government of Alberta to be relatively risk-free (Note 6).

(c) *Price Risk*

The Corporation's price risk is driven primarily by volatility in its venture capital investments. The Corporation generally invests in limited partnerships in the initial stages of development. Because of the inherent uncertainty of valuations, estimated fair values may differ significantly from the values that would have been used had a ready market for the securities existed, and the difference could be material.

To manage price risk, the Corporation takes a mindful approach to diversify its investments in limited partnerships focusing on different sectors of innovation creating sectoral diversification. In addition, each limited partnership has established a target mix of investment types and the Corporation will aggregate investment types to ensure appropriate sectoral diversification within a reasonable risk tolerance and in accordance with the limited partnership's investment mandate.

Based on the financial position of the Corporation on March 31, 2026, if the value of investments decreased by five percent, with all other variables held constant, net assets decrease approximately by $13,885 (2025 - $11,979). In practice, actual investments results may differ from this analysis and the difference could be material.

(d) *Foreign Currency Risk*

The Corporation is exposed to foreign currency risk associated with portfolio investments and cash denominated in USD. Foreign currency risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Investments and cash denominated in USD currencies are translated into Canadian dollars using the reporting date exchange rate.

The value of the Corporation's investments in limited partnerships and cash denominated in USD may change due to the changes in exchange rates. $159,311 or 57% of the Corporation's investments are denominated in US dollars (2025 - $139,283 or 58%). The carrying amount of cash denominated in USD is $7,303 (2025 - $1,811).

If the value of the Canadian dollar increased by 10% against the U.S. dollar, and all other variables are held constant, the potential loss in carrying value to the Corporation would be approximately 5.9% of total investments and cash (2025 - 5.8%). The Corporation does not participate in any foreign currency hedging activities.

Note 7 PORTFOLIO INVESTMENTS (Cont'd)

(in thousands)

(e) *Liquidity Risk*

Liquidity risk is the risk that a given investment or asset cannot be traded quickly enough in the market to prevent a loss. The Corporation's investments are long term and highly illiquid. There is no assurance that the Corporation will ultimately realize the carrying value of the investments.

To manage these risks, the Corporation has established policies around the type of limited partnerships that it invests in. Investment commitments exceed cash on hand, and management plans to use future distributions from the limited partnerships to meet the commitments.

The Corporation has not pledged financial assets as collateral.

Note 8 CONTRACTUAL RIGHTS

(in thousands)

Contractual rights are rights of the Corporation to economic resources arising from a grant agreement from the Government of Alberta that will result in both assets and revenues in the future when the terms of those contracts or agreements are met. AEC has no contractual rights outstanding as of March 31, 2026.

Note 9 CONTRACTUAL OBLIGATIONS

(in thousands)

Contractual obligations are obligations of the Corporation to others that will become liabilities in the future when the terms of those contracts are met. The Corporation has committed funds to be paid into limited partnerships. The details of the commitments are listed in Note 7. The timing and amount of future capital calls are uncertain and determined by the general partners. Venture capital funds generally have a term up to ten years, during which capital call may be called within that time frame. Other contractual obligations are:

	2026	2025
Obligations under operating leases	**$ 813**	$ 915
Obligations under service contracts	**151**	109
	$ 964	$ 1,024

Estimated payments in each of the next five years and thereafter are as follows

	Operating Leases	Service Contracts	Total
2026-27	$ 110	$ 93	$ 203
2027-28	112	58	170
2028-29	113	-	113
2029-30	113	-	113
2030-31	115	-	115
Thereafter	250	-	250
	$ 813	$ 151	$ 964

Note 10 Tangible Capital Assets
(in thousands)

	Leasehold Improvement	2026	2025
Estimated Useful Life	10 Years		
Historical Cost			
Beginning of Year	**$ 401**	**$ 401**	$ 401
	$ 401	**$ 401**	$ 401
Accumulated Amortization			
Beginning of Year	**$ 91**	**$ 91**	$ 53
Amortization Expense	**38**	**38**	38
	$ 129	**$ 129**	$ 91
Net Book Value, March 31, 2026	**$ 272**	**$ 272**	
Net Book Value, March 31, 2025	**$ 310**	**$ -**	$ 310

Note 11 Comparative Figures

Certain 2025 figures have been reclassified to conform to the 2026 presentation.

Note 12 Approval of Financial Statements

The Board approved the financial statements of Alberta Enterprise Corporation on June 2, 2026.

Schedules to the Financial Statements

Schedule 1
EXPENSES - DETAILED BY OBJECT
Year Ended March 31, 2026

(in thousands)	2026		2025
	Budget (Note 4)	**Actual**	Actual
Salaries, wages and employee benefits	**$ 2,584**	**$ 2,492**	$ 2,380
Supplies, services and payments to consultants	**1,176**	**886**	920
Grants and sponsorships	**460**	**459**	460
Amortization of tangible capital assets (Note 10)	**38**	**38**	38
Total expenses	**$ 4,258**	**$ 3,875**	$ 3,798

Schedule 2
SALARY AND BENEFITS DISCLOSURE
Year Ended March 31, 2026

	2026				2025
	Base Salary[1]	**Other Cash Benefits[2]**	**Other Non-cash Benefits[3]**	**Total**	Total
Chair of the Board	**$ -**	**$ 22**	**$ 1**	**$ 23**	$ 24
Vice Chair of the Board	**-**	**15**	**1**	**16**	17
Board Members (five)[4]	**-**	**60**	**3**	**63**	67
Executives:					
Chief Executive Officer	**272**	**40**	**36**	**348**	344
Chief Financial Officer	**217**	**-**	**48**	**265**	249
Vice President, Investments[5]	**226**	**30**	**12**	**268**	264
Vice President, Investments[6]	**187**	**24**	**11**	**222**	215
	$ 902	**$ 191**	**$ 112**	**$ 1,205**	$ 1,180

(1) Base salary includes regular salary.

(2) Other cash benefits for board members include honoraria payments and per diem allowances. Other cash benefits for executives include life and disability insurance, in lieu RSP, and vehicle allowance. There were no bonuses paid in 2026 (2025 - $nil).

(3) Other non-cash benefits include Canada Pension Plan, Employment Insurance, contribution to RSP, parking, group life insurance, employee wellness account and professional memberships.

(4) The Board of Directors consisted of no more than five members in 2026 (2025 - five) plus the chair and vice chair, whose remuneration is disclosed separately.

(5) This position changed to 0.8 full-time equivalent effective February 02, 2026.

(6) This position consisted of an 0.8 full-time equivalent in the fiscal year (2025 - 0.8).

Schedule 3
RELATED PARTY TRANSACTIONS
Year Ended March 31, 2026

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta's Consolidated Financial Statements. Related parties also include key management personnel and close family members of those individuals in the Corporation. The Corporation and its employees paid or collected certain taxes and fees set by regulation for premiums, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Corporation had the following transactions with related parties reported in the Statement of Financial Position and Statement of Operations at the amount of consideration agreed upon between the related parties:

(in thousands)	**2026**	2025
Revenues		
Interest revenue from Treasury Board and Finance	**1,110**	2,536
	$ 1,110	$ 2,536
Expenses		
Other(1)	**8**	10
	$ 8	$ 10
Receivable from Technology and Innovation	**$ 85,000**	$ 110,000

(1) Other expenses include risk management insurance.

From Left to Right:
Top: Tracey Scarlett, Neil Sadaranganey, Sharilee Fossum, Derrick Hunter
Bottom: Elizabeth Cannon, Ted Redmond, Justin Ferrara

BOARD OF DIRECTORS

Ted Redmond, Chair
EVP & COO – Modular Space Solutions, Black Diamond Group LP

Elizabeth Cannon, Vice Chair
Corporate Director

Sharilee Fossum, Audit Committee Chair
Corporate Director

Tracey Scarlett
Executive Director – Venture Capital Association of Alberta

Neil Sadaranganey
Managing Director – NTT Docomo Ventures

Derrick Hunter
President and CEO – Bluesky Equities Ltd.

Justin Ferrara
Senior Partner – Norton Rose Fulbright Canada LLP

AEC TEAM

Kristina Williams
President and CEO

Jennie Allen
Chief Financial Officer

Rebecca Giffen
Vice President Investments

Paul Godman
Vice President Investments

Christiana Manzocco
Director of Investments

Matthew McGrath
Director of Investments

Alan Campbell
Director of Industry Development and Investment Associate

Carolina Rahikka
Director of Operations and Marketing

Milanne Desfosses
Manager Industry Development

Leon Thai
Investment Associate

Deepashree Bagul
Senior Accountant

Jenilou Neufeld
Accountant

GLOSSARY OF TERMS

Deal flow: Deal flow refers to the number of quality startup companies and opportunities – deals – available for Venture Capital firms to invest in. Included in this would be only those companies that have intellectual property, and/or are "product-based" companies; services firms, projects, consulting companies and the like would not be considered part of the deal flow in Alberta.

Ecosystem: Ecosystem refers to the connectivity within Alberta's VC community that allows technology entrepreneurs to access the capital, operational expertise and industry networks needed to grow.

J-curve: A J-curve depicts a trend that starts with a sharp drop and is followed by a dramatic rise.

Due to the nature of venture investing and accounting practices for these investments, Venture Capital funds are likely to show a loss during the first half of their life as new funds draw capital. These losses normally reverse as a fund matures and as unrealized and realized gains increase over time. This is called a J-curve.

Limited Partner: Limited Partners are investors in a fund who provide capital to Venture Capitalists (General Partners); their liability is limited to the money they have invested. AEC invests as a Limited Partner in VC funds.

Pre-Seed and Seed funding: Pre-Seed or Seed funding is the first official equity funding stage. It typically represents the first official money that a business venture or enterprise raises. There are many potential investors in a seed funding situation: founders, friends, family, incubators, Venture Capital companies and more. One of the most common types of investors participating in seed funding is a so-called "angel investor".

Series A funding: The first round after the seed stage is normally called Series A funding. In this round, it's important to have a plan for developing a business model that will generate long-term profit. The investors involved in the Series A rounds typically come from more traditional Venture Capital firms.

Total Value to Paid-In capital (TVPI): The investment multiple is also known as the Total Value to Paid-In multiple. It is calculated by dividing the fund's cumulative distributions and residual value by the paid-in capital. It provides insight into the fund's performance by showing the fund's aggregate returns as a multiple of its cost basis.

Venture Capital: Risk capital provided by investors to startup firms with perceived growth potential. Venture Capital funds raise capital from external investors (Limited Partners) and are professionally managed by a General Partner.

Sources: Investopedia and AEC

Alberta Enterprise Corporation

Suite 1520, 10130 103 Street, NW,
Edmonton, AB T5J 3N9
P. 587.402.6601 | **TF.** 1.877.336.3474

alberta-enterprise.ca