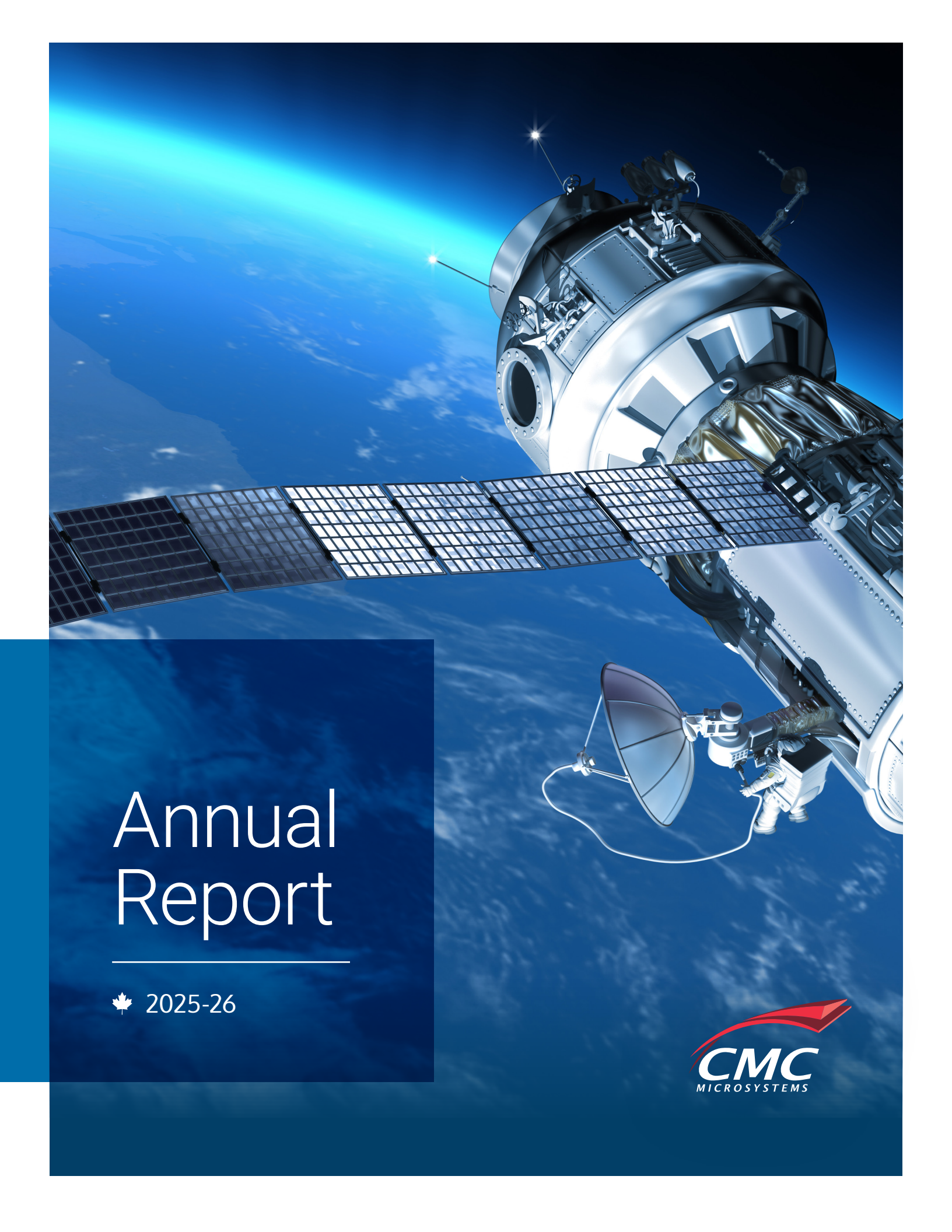
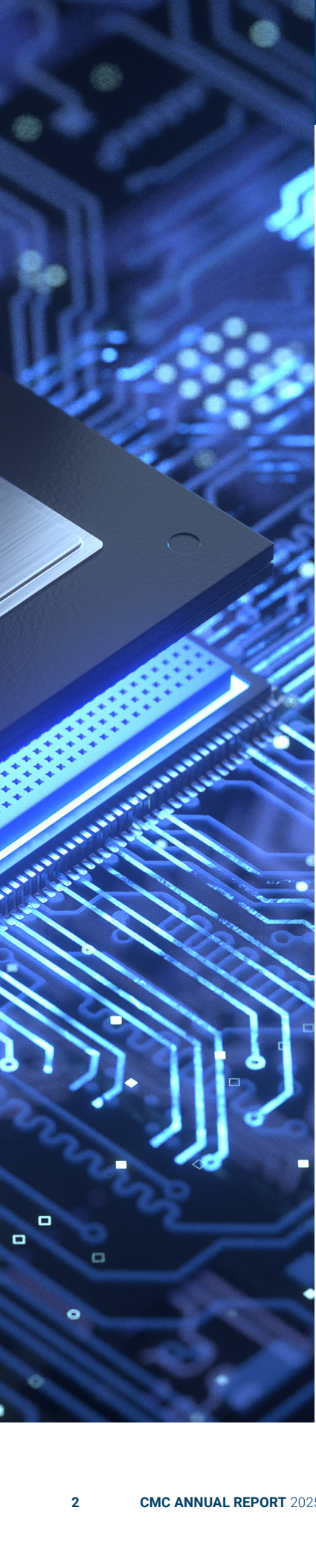




Annual Report

🍁 2025-26





CMC Microsystems

CMC Microsystems, a not-for profit organization, is a foundational pillar of Canada's semiconductor ecosystem, providing the essential backbone for sophisticated **compound semiconductor, photonics, quantum software and hardware, microelectronics, microelectromechanical systems (MEMS), IoT and edge-AI** research and innovation.

CMC lowers the cost and complexity of technology adoption by creating and sharing platform technologies, including access to state-of-the-art design, manufacturing, and testing capabilities.

CMC enables research, development, and the training of highly qualified personnel (HQP) for an international network of over 11,000 researchers and more than 1,200 companies developing innovations in advanced technologies.

www.cmc.ca

Canadian Microelectronics Corporation (CMC Microsystems)

CMC Annual Report for 2025-26

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Contact: Gordon Harling, President and CEO, gordon.harling@cmc.ca

www.cmc.ca

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Spotlight: FABrIC

An unprecedented opportunity for Canada's semiconductor sector

FABrIC is the Government of Canada's five-year Strategic Response Fund program to advance domestic capabilities in advanced semiconductor design and manufacturing. March 2026 marked the close of the second full year of FABrIC, Managed by CMC Microsystems (CMC).

FABrIC Membership grew to 219 organizations across Canada:

76%

of them are for-profit companies

20

Challenge projects valued at **\$35.6M** were funded with a total FABrIC investment of **\$13.4M**.

230

Expressions of Interest (EOIs) for Challenge Funding received.

10

EOIs for Quantum Computing Sandbox exceeded expectations for sandbox-ready projects.

FABrIC award recipients: fabricinnovation.ca/recipients and CMC Annual Report 2025-26 **Appendix A**

Spotlight:
FABrIC

The **FABrIC** project is a strategic investment by the Government of Canada, Innovation, Science and Economic Development Canada (**ISED**) Strategic Response Fund (**SRF**)

Funded by the Government of Canada
Financé par le gouvernement du Canada



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Joint letter from the Chair of the Board and President / CEO

In 2025-26, CMC Microsystems adapted to changing conditions. And built.

For over forty years, CMC has responded to the changing needs of Canada's semiconductor sector — and the needs of the country. From years of growth to globalization, it has updated its offering, delivering cost-effective access to the sophisticated tools and technologies essential for academic research, R&D, and emerging companies. As production offshored and consolidated, it negotiated critical manufacturing agreements to ensure the Canadian ecosystem had the access it needed to prototype and test its products and developed training programs for the new demands of rapid technological change. This access was significant to the semiconductor sector and to Canada's end-use industries that rely on it.

When supply chain vulnerabilities sparked global efforts to reshore semiconductor capacity, CMC adapted again. In 2024, it stepped up to manage the Government of Canada's drive to accelerate this country's capabilities in advanced semiconductor design and manufacturing: FABrIC.

A five-year \$217M initiative, FABrIC began to produce significant results in 2025-26. Adjudicating, managing and delivering a Strategic Response Fund program demanded new operational rigour and the voyage has been internally transformative. It also deepened CMC's analysis of the challenges and opportunities the ecosystem faces.

Legacy programs, from training to quantum services to VIE were sharpened, and a new initiative, focused on dual-use and emergency technologies, coalesced: DUET.

DUET is an ambitious \$1B proposal that addresses military and civilian safety and security threats, DUET demonstrates the unique ability of the semiconductor sector to support the evolving national and economic priorities of the federal government and the competitive imperatives of end-use industries. CMC adapts and builds the strategic, technological and operational excellence to deliver.

Thank you for taking the time to learn more about CMC.



Steve Bonham

Chair of the Board of
Directors
Teledyne MEMS



Gordon Harling

President and Chief
Executive Officer
CMC Microsystems

An abstract graphic on the left side of the page depicts a network of glowing blue and purple nodes connected by thin lines, resembling a digital or microchip structure. The nodes are concentrated on the left, with lines extending towards the right.

Impact on the chip-making industry in Canada

CMC Microsystems (CMC) was founded in **1984** to ensure Canada's startups, small companies and universities had access to chip design tools and fabrication services. Thanks to a novel partnership with Nortel Networks Corporation and key Canadian companies, 3,300 designs were manufactured through CMC within our first 10-years. Today, CMC manages a national design ecosystem that enables researchers to design and fabricate microchips through our global and made-in-Canada advanced-technology supply chain.

100+

Global supply chain vendors; includes **50+** located in Canada

13,495

Prototypes manufactured

290

Startups to-date; **49%** remain active in Canada

110,000

Trained HQP

8,400

Academic-industry collaborations supported

Building on Success

Major Milestones & World Firsts

CMC's strategies and technology roadmap align to Canada's strengths in advanced technology and fabless semiconductor design. With firsts in telecommunications, microelectronics, microsystems integration, photonics and optoelectronics, wireless RF integration, and most recently, quantum technology, CMC adapts to the opportunities presented by a rapidly evolving global ecosystem and delivers relevant services to the domestic semiconductor community.

2024 – FABrIC, a \$120M/five-year Government of Canada Strategic Response Fund (ISED-SRF) investment in a \$217M project, launched to support manufacturing & commercialization of semiconductors.

2023 – Established RDiUS Technologies; a CMC subsidiary located in the US, positioning CMC directly in the Canada-US semiconductor corridor in response to US CHIPS Act programs.

2021 – Offered Superconducting Quantum Design Training – a world first workshop for researchers in quantum computing hardware design, fabrication, and testing.

2020 – Became a member of IBM Q Hub at the Institut quantique of Université de Sherbrooke (IQ); ensuring unique access to IBM's most advanced quantum computing platform in Canada.

2019 – Awarded a Government of Canada Foundation for Innovation (CFI) Major Science Initiative to help drive semiconductor innovation into the next decade.

2015 – Awarded funding from CFI as part of a \$19.5M project advancing the research of over 800 academic teams focussed on advanced design-to-manufacturing.

2012 – Piloted a centralized, cloud-based workspace to provide secure, high-performance, virtual environments for micro- and nanotechnology research.

2009 – Launched the world's first national, graduate-level course for designing, prototyping and testing nanophotonic integrated circuits in collaboration with the University of British Columbia.

2009 – Launched Embedded Systems Canada, a \$50M/5-year CFI Infrastructure program to focus on 'smart' technologies.

2004 – Retooled strategic approach to "microsystems" and integrated smart-systems anticipating technological changes across industry.

2001 – Deployed the world's first research program focused on platforms: the National System-on-Chip Research Network (SOCRN).

1984 – In a speech from the Throne, A Technology Policy for Canada, Minister of State for Science and Technology announced the establishment of CMC. Canada's National Design Network (CNDN) was established with support from the Natural Sciences and Engineering Research Council of Canada (NSERC).

Canada's Semiconductor Powerhouse

CMC is foundational to Canada's semiconductor ecosystem, providing the essential backbone for sophisticated compound semiconductor, photonics, quantum software and hardware, microelectronics, microelectromechanical systems (MEMS), IoT and edge-AI research and innovation. CMC enables research, development, and trains highly qualified personnel (HQP) essential to domestic industry.

Our Guiding Values

Benefit to Canada | "Honest Broker" | Research Impact

Vision

Research in microsystems and nanotechnology expands knowledge frontiers, enables applications, and contributes to economic prosperity in Canada through advanced technology manufacturing.

Mission

Accelerate industrial innovation and enable research excellence in Canada by providing an international infrastructure that supports the creation and application of advanced technology knowledge and manufacturing capability and the development of related processes, devices, components, and systems.

Equity, Diversity, and Inclusion (EDI)

Equity

All potential users of CMC services will have the opportunity to access and benefit from our programs through our fair and impartial practices.

Diversity

CMC values attributes that allow people from any background and any region to succeed. This includes attributes such as race, gender, language, culture, religion, age, and career stage; institutional and company attributes such as size, type, and location; and research spanning the entire spectrum of basic to applied and across all disciplines and industrial sectors.

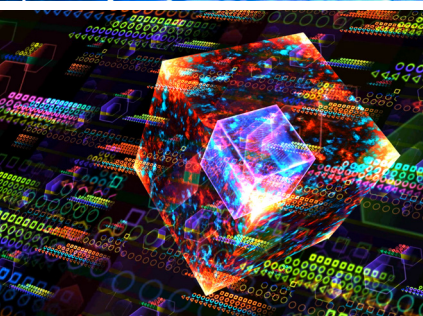
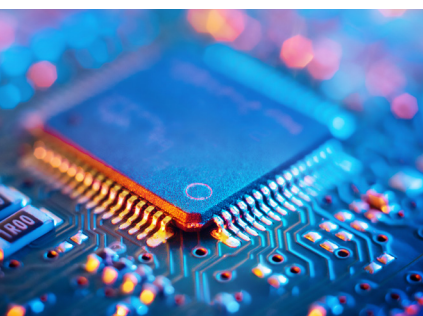
Inclusion

CMC respects and values all individuals for their contributions and our culture encourages collaboration, partnership, and engagement among diverse groups of people, institutions, and areas of research to maximize the potential of Canada's research and innovation ecosystem.

CMC Strategies to 2035

Canada's Semiconductor Ecosystem

CMC delivers economies of scale critical to hardware design and prototyping aligned with the Government of Canada's Strategic Response Fund (ISED-SRF) initiative, other SME-oriented funding programs and national strategies. As Canada's leader in enabling research and innovation in microsystems and advanced technologies, CMC delivers programs and services relevant to Canada's semiconductor ecosystem.



Strategic Advanced Technologies

CMC is a solution provider to academics, SMEs, and other ecosystem partners and collaborators. We work closely with our stakeholders to deliver a unique technology roadmap and effectively deliver access to technologies critical to enabling Canada's semiconductor economy.

Compound Semiconductors

Made from two or more periodic table elements, compound semiconductors offer superior power and are up to 100 times faster than silicon. Their unique properties make them crucial for enhanced performance, optoelectronic applications, high-frequency devices (radar, satellite), EV power electronics, and wireless communication (5/6G data transmission).

Photonics

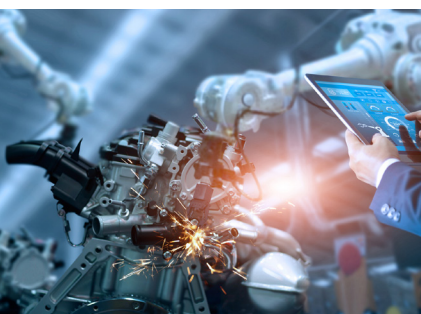
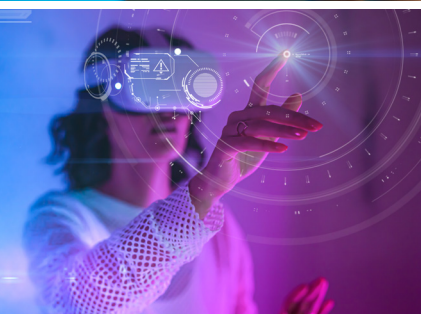
Photonics is a systems-enabling technology, with a strong emphasis on integration – a critical component for IoT. Photonic technology and silicon photonics adoption supports a wide range of applications including data communications, optical computing, AI, optical sensing, and renewable energy (e.g., high-efficiency solar panels).

Quantum Software and Hardware

Quantum technology is revolutionizing computing, communication, and sensing. For instance, solving problems too complex for classical computers, allowing for secure transmission of information, and enabling novel single-cell level medical navigation systems.

Microelectronics

Microelectronics underpin nearly all modern technology (smart phones, medical devices, industrial sensors). Micro- and nano- electronics are essential to the design, manufacture, and use of microchips and microcircuits and are often built on semiconductor materials and/or involve the integration of MEMS and other microsystems.



Microelectromechanical Systems (MEMS)

One of the main advantages of MEMS is their small size, which allows for integration into compact and portable devices. Usually smaller than a grain of sand, these miniature systems can be integrated into compact and portable devices. MEMS are essential in a wide range of applications, from smartphones and cars to medical devices and industrial machinery.

IoT & Edge AI

IoT – low-Power, intelligent, sensing

Edge-AI – AI / machine learning (ML) models on edge devices

IoT and AI are transforming industries worldwide. We focus on the intersection of Internet of Things (IoT), Artificial Intelligence (AI), and their combined power to drive innovation across sectors like healthcare, manufacturing, smart cities, and transportation.

Manufacturing Supply Chain

CMC's focus on a semiconductor supply chain ecosystem that expands unique-to-CMC capability to provide tools, prototypes, and products to academics, startups and SMEs. International alliances, developed over decades of management, enable full end-to-end manufacturing including low volume manufacture. Priority attention is given to:

- Strengthening global partnerships that deliver new or hard-to-access capabilities to industry and academia
- Advancing domestic capabilities that boost innovation and further Canadian security of supply
- Delivering funding programs that accelerate Canadian R&D and the development of new made-in-Canada technologies

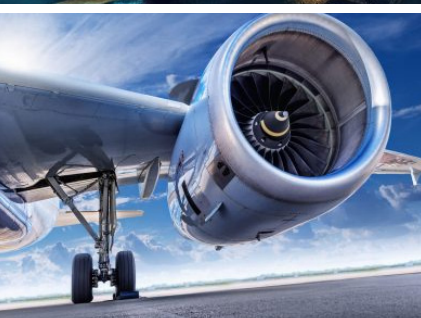
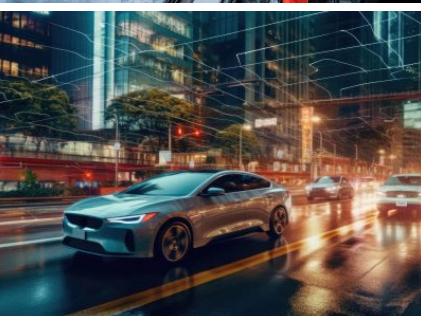
A Solutions Partner for Canadian Industry

As a trusted Canadian broker, CMC is building on its semiconductor R&D supply chain and expanding investments in advanced technologies and training. By standardizing commercial programs, CMC is offering startups and SMEs a clear path from **idea** → **prototype** → **product**.

By 2035, CMC will be Canada's go-to industry solutions platform for startups and SMEs designing compound semiconductors, photonics, quantum-enabled products, microelectronics, and MEMS. It will enable development from concept to prototype; faster and with less risk. This builds on CMC's reputation as a trusted Canadian broker with an established, extensive technology offerings and partners.

Growth & Sustainability

CMC leverages federal and provincial funding to equip Canadian SMEs and over 1,200 academic teams with cutting-edge CAD tools, multi-project wafer prototyping, and advanced training, fostering the next generation of semiconductor innovation. By expanding and deepening collaborations with national and global industry, research institutions, and sector specific associations, CMC is poised to strengthen the domestic semiconductor ecosystem and in turn, Canada's strategically targeted end-sectors.



Strategic Industry Sectors

Benefits to Canada: The advanced technologies CMC supports are foundational to strategic end-sectors identified by the federal government as critical to Canada's semiconductor ecosystem, digital economy, as well as safety and security.

Industrial Sectors

Digital economy / Industry 4.0
(IoT, AI, Edge-AI, 5G/6G datacom)

End-Sector Examples

Cybersecurity / Cyber Defence, Quantum Computing, Autonomous Vehicles, Big Data, and more

Information & Communication Technologies (ICT)

Semiconductor Equipment & Materials*, Computing Systems, Information Systems, Communication Systems, Architectures, Telecom Technologies, Multimedia and Electronic Entertainment

Health Sciences

(Medical, Med-Tech, Bio-Med. &/or Pharma)

Medical Devices, Point-of-Care Diagnostic Devices, Physiological Sensors, Computer-Guided Surgery, & Biomedical Health Innovation, Pharmaceutical (Drug Discovery, Combinatorial Chemistry, High-Throughput Screening, Genomic Marker Discovery, Biopharma & Bioinformatics)

Energy

Renewable Energy (solar, wind, geothermal) & Power Utilities (Hydro, Nuclear), Non-Renewable Energy (Oil and Gas Exploration & Production)

Natural Resources

Remote Sensing, Monitoring, Electronically-Controlled Processing, Quality Management, Forestry & Minerals

Environment

Environmental (water, air, soil) Monitoring & Protection, Water Treatment, Hazardous Waste Management, Air Pollution Control, Marine Biotechnology & Ocean-based Resource Protection

Automotive & Transportation

Personal and Commercial Vehicle Technology, Electric Vehicles & Batteries, Smart Travel, Traffic Management, & Safety (Highway, non-highway)

Defence, Safety & Security

Guidance Systems, Munitions, Armaments, Biodefence, Battlefield Intelligence, Surveillance, Identification, and dual-use (military and civilian safety and security)

Aerospace

Aeronautics, Avionics, Propulsion Systems, Space Exploration, Satellite Technology

Agri-Tech / Agri-Food

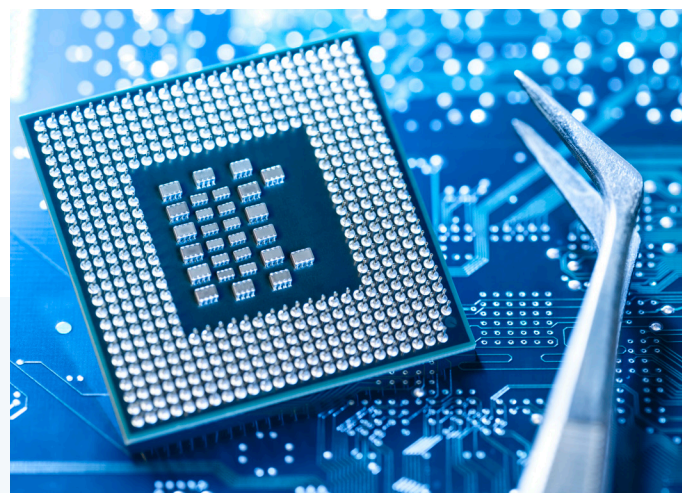
Bio-foods, Nutraceutical Development, Fermentation Technology, Precision Agriculture, Food & Beverage Processing & Distribution, Safety Monitoring

*For this purpose, semiconductor equipment and materials are an industrial example within ICT.



Various industries strategic to the semiconductor ecosystem span multiple end-sector applications, including:

Dual-use and emergency technologies	Defence (military), safety, security and civilian emergencies (fire, flood)
Clean-tech	Renewable energy, natural resources, and environment
Bio-tech	Health sciences (bio-med, bio-manufacturing), agri-food, environment, defence
Advanced manufacturing	ICT (industrial engineering) and digital economy
Mining	Energy and environment



FABrIC makes strategic investments in Fabrication Process and IoT Product Development to accelerate the development and commercialization of technologies and products where there are significant domestic capabilities and global opportunities. Characterized by vertical specializations such as design, manufacturing and system integration, Canada's ecosystem is profoundly horizontal in application – **from advanced manufacturing, aerospace, agri-tech, automotive and transportation, clean-tech and energy, dual-use technology, digital technologies, mining, medtech and ocean/ marine** – semiconductors are the fundamental building blocks of the technology that powers the economy.

FABrIC – Canada’s Semiconductor Ecosystem. Accelerated.

A Generational Investment by the Government of Canada

FABrIC (2023/24–2027/28) is a Strategic Response Fund (SRF) initiative of the Government of Canada to accelerate domestic capabilities in advanced semiconductor design and manufacturing. Managed by CMC, FABrIC galvanizes national strengths in photonics, MEMS, compound semiconductors and quantum technologies, accelerating commercialization and amplifying Canada’s competitive advantages by maximizing the economic impact of its semiconductor sector.

378

New or improved
products

127

Intellectual property
(IP) applications

103

Jobs created

\$13.4M

Challenge funding
awarded

FABrIC connects the semiconductor sector into Canada’s major industrial performers: **advanced manufacturing, aerospace, automotive and transportation, agri-tech, clean-tech and energy, defence, medtech, mining and natural resources, and ocean/marine.**

Challenge funding stimulates new fabrication processes, advanced sensors and other semiconductor IoT products that build national capacity. Response to Round One Challenge Calls (2024) was tremendous and generated **138** expressions of interest from across Canada with a total value of over **\$235M** – more than the full five-year value of the FABrIC initiative.

In 2025-26, **23 participants representing 20 projects** leveraging **\$35.6M in total investment** were awarded \$13.4M in FABrIC funding. Awarded Challenge projects are described in [Appendix A](#).

Quantum Computing Sandbox is Canada’s first program to provide technical expertise and access to state-of-the-art quantum computing platforms for academics, startups, and SMEs. The first call for expressions of interest was in 2025.

Training portfolio provides specialized skills development in the semiconductor sector’s highly technical and demanding processes. In 2025/26, FABrIC delivered **14 training courses**.

fabricinnovation.ca



soundskrit
Hear the impossible.

Soundskrit Turns Wind Challenge into Product Advantage

From Lab Problem to Deployable Solution.

By reverse-engineering how leading consumer devices handled wind, Soundskrit came up with a pragmatic architecture that didn't reinvent the wheel.

“The better path was to combine our mic with an omni-mic and do switching,”

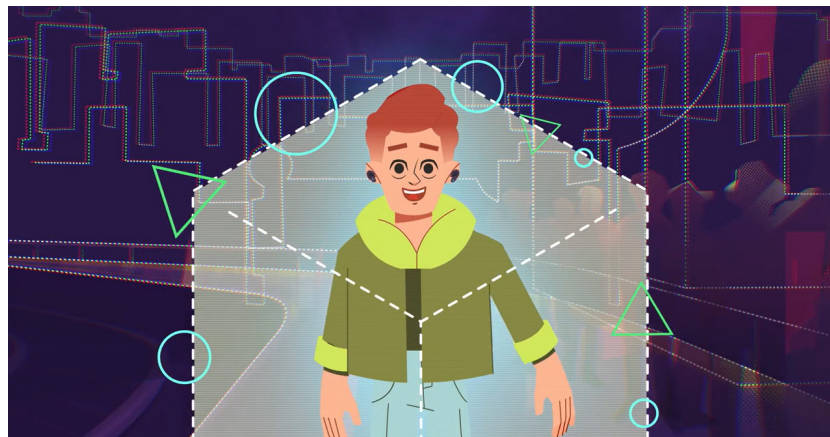
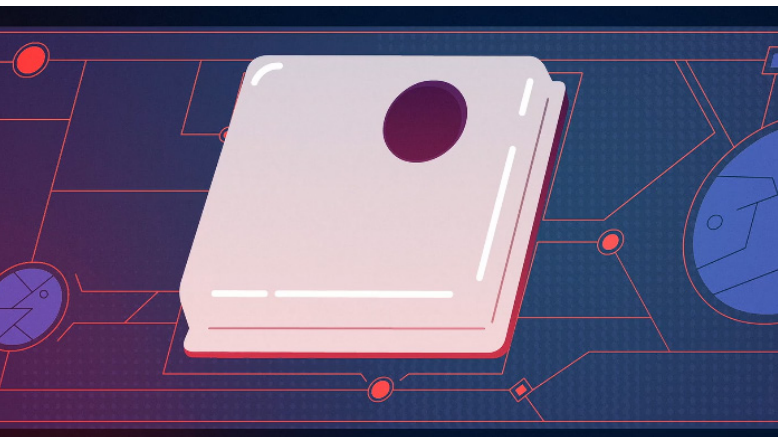
—Stephane Leahy, Co-founder

FABRIC funding not only paid for experiments but encouraged the Soundskrit team to define a concrete development plan and test multiple approaches in a structured way.

Commercial outcome:

Soundskrit now has a world-class Canadian-made technology broadly relevant for mobile phones, wearables, and field devices where wind and environmental noise degrade speech quality.

Highlight:
Challenge Project



Dual-Use and Emergency Technologies (DUET): A \$1B proposal

The semiconductor sector is essential to Canada's technological sovereignty, national security and supply chain resilience. CMC's DUET initiative — Dual-Use and Emergency Technologies — is a \$1B, five-year funding proposal that fuels innovation in advanced technologies to build a stronger, more self-sufficient Canada.

Multi-disciplinary
advanced
technologies

Semiconductor
design,
manufacturing

Global
semiconductor
supply chain

Training for highly
qualified people
(HQP)

From field trials and market-ready products, DUET is a dual-use ecosystem to develop solutions for civil emergencies, for example:

Sensing and imaging for agri- (drones, surveillance systems)

IoT for harsh environments (floods, forest fires, search and rescue)

Technologies for civil emergencies (communications, logistics)

Environmental monitoring for human health (water, air, food safety)

Devices for health (diagnostic and surgical equipment)

The DUET Vision

DUET is a pan-Canadian research and development network developing innovative, cost-effective solutions to address both military and civilian threats. DUET harnesses the combined expertise of academic specialists, small and medium enterprises (SMEs), and large multinationals. Technologies leverage CMC Microsystems' extensive network of global partners.

DUET will provide financial support and technical expertise to companies developing products for civil emergencies (fires, floods, storms, first responders, police, firefighters) and enable them to sell these products to early adopters worldwide to ensure their financial success. The program includes field trials to ensure products are mature and manufacturable (LAB to FIELD). For more information on the DUET proposal, see [Appendix B](#).

We encourage you to
learn more and become
an ecosystem partner:
www.cmc.ca/duet

National Scope : DUET Proposal Partners, Examples



Partnerships

From made-in-Canada collaborations to strategic global supply chain partnerships and international alliances with peers, CMC excels at building targeted relationships that deliver value to the domestic semiconductor sector. It ensures Canada remains active in the global conversation: reinforcing its strengths; brokering internationally competitive commercial opportunities and identifying emerging best practices to support the continuous development of highly qualified personnel (HQP).

Microsystems and Nanotechnology (MNT) World Organizations

CMC's peer organizations come together in a "network of networks" for an invaluable exchange of insights. MNT provides a venue to gauge international-scale progress and initiate joint semiconductor projects enabling researchers and developers access to advanced semiconductor fabrication, prototyping and design tools.

AUSTRALIA



EUROPRACTICE Consortium Partners:

CANADA



BELGIUM



JAPAN



FRANCE



SOUTH KOREA



GERMANY



TAIWAN



IRELAND



EUROPE



UNITED KINGDOM



Partnership News



Taiwan's world-leading R&D organization, Industrial Technology Research Institute (ITRI) and CMC signed a Strategic Cooperation Agreement:

CMC intends to leverage complementary expertise and resources to accelerate innovation in the semiconductor sector that benefits both Canadian and Taiwanese technology ecosystems. This collaboration will leverage complementary expertise and contribute to building a competitive economy. ([March 2026](#))



A new Superconducting Quantum Fabrication Service:

In collaboration with 3iT at the Université de Sherbrooke, CMC launched a new cutting-edge fabrication service for superconducting quantum devices, establishing a powerful new pillar for quantum innovation in Canada, and bolstering national technology sovereignty. ([January 2026](#))



Building a talent pipeline to protect Canada's competitive integrity and economic prosperity:

A new national partnership with Information and Communications Technology Council (ICTC) and CMC Microsystems to Strengthen Canada's Semiconductor Talent Pipeline ([October 2025](#))



Recommendations to unlock the economic potential of the semiconductor sector:

A Pre-Budget Consultation submission (2025-26 Federal Budget) developed jointly by CMC, ICTC, Semiconductor Ecosystem Centre for Training and Research (SECTR), ventureLAB and Canada's Semiconductor Council (CSC) laid out a high-level plan to maximize the semiconductor sector's contributions to Canada's competitive success. ([Read the submission.](#))



A Quebec, Ontario, Vermont and New Hampshire Cross-Border Technology Development initiative:

CMC was one of twelve signatory organizations from Canada and the US to sign an MOU committing to future economic and technology development projects. ([April 2025](#))



Global Semiconductor Supply Chain

Canada's Semiconductor Powerhouse

CMC plays a singular role in Canada's semiconductor research and innovation ecosystem, providing cost-effective access to advanced technologies and specialized, high-demand services only available via the global supply chain.

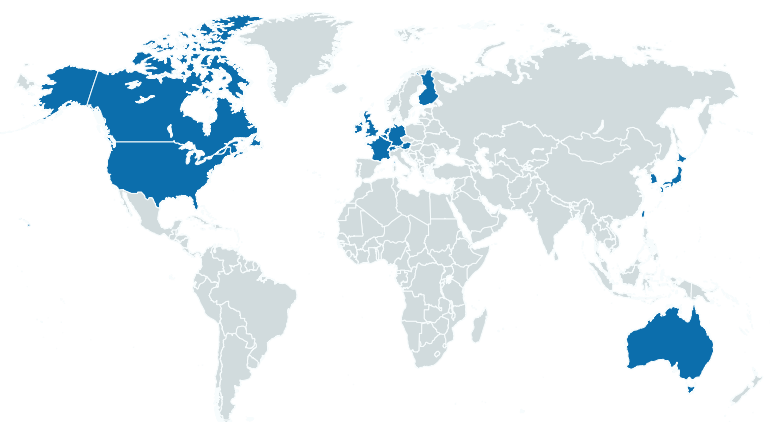
Fabrication | Design & Engineering | CAD & Cloud | Quantum Computing

Computer-Aided Design (CAD)

Over **50** CAD tools and environments from **17** vendors.

Fabrication

Over **25** advanced technologies including dedicated and multi-project wafer (MPW) services.



100+

Alliances

16

Countries

North America

- CANADA**
Over 50 suppliers and over 40 university-based labs
- USA**
Over 30 suppliers

Europe

17 suppliers

- AUSTRIA**
- BELGIUM**
- FINLAND**
- FRANCE**
- GERMANY**
- IRELAND**
- NETHERLANDS**
- SWITZERLAND**
- UNITED KINGDOM**

Asia

6 suppliers

- JAPAN**
- SINGAPORE**
- SOUTH KOREA**
- TAIWAN**

Australia

- AUSTRALIA**
1 supplier

Multi-Project Wafer (MPW) Supplier Partnerships

CMC's critical manufacturing agreements enable emerging Canadian companies to prototype and test their products with leading semiconductor organizations.



Global MNT

An international network of nano-fabrication and characterisation facilities connecting world-class cleanrooms and expertise.

Australia



Australian National
Fabrication Facility
(ANFF)

Japan



ARIM Japan

Canada



CMC Microsystems
(CMC)

Europe



EuroNanoLab

USA



National
Nanotechnology
Coordinated
Infrastructure
(NNCI)



Made-in-Canada Supply Chain

Over 50 Domestic Suppliers

CMC's approach prioritizes optimizing domestic strengths in advanced technologies like microelectronics, photonics, sensors, and quantum to build a resilient made-in-Canada semiconductor supply chain.

Supply chains are critical to nearly every major Canadian industry, from advanced manufacturing to agri-tech. Leveraging and supporting an ecosystem that builds on Canada's strengths and capabilities aligns with Canada's broader security of supply and manufacturing goals.

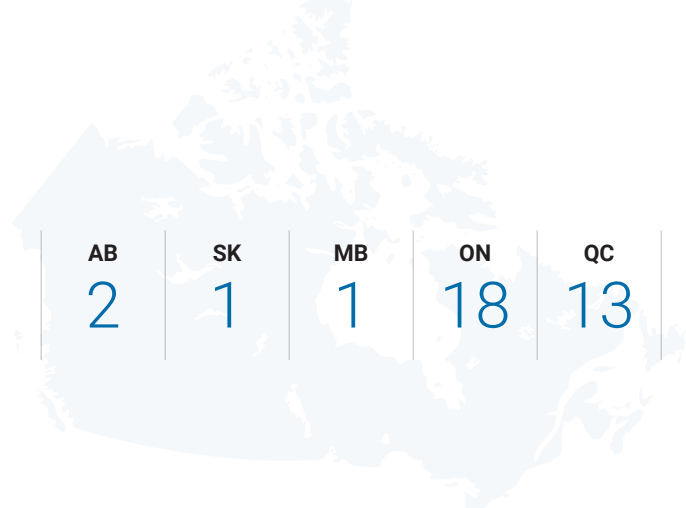
World-class Domestic Supply Chain Examples



MicroFAB Access and Canadian MNT Lab Locator

CMC's MicroFAB Access service supports custom microfabrication at open-access micro-nanotechnology (MNT) cleanroom facilities at Canadian post-secondary institutions. It offers up to 80% reimbursement of eligible fab costs, to a maximum of \$4,000, for users creating working prototypes.

40+ Canadian Micro-nanotechnology (MNT) Labs



BC	AB	SK	MB	ON	QC	NS
7	2	1	1	18	13	1

Discover open-access cleanrooms, nanofabrication, microscopy and microfluidics labs across Canada through **CMC's Canadian MNT Lab Locator**



Adapt, Build – and IMPACT

CMC fosters Canadian innovation by lowering barriers to advanced technology adoption in microelectronics, photonics, quantum technologies, IoT and Edge AI, MEMS, nanofabrication, and systems integration. CMC strengthens the semiconductor supply chain by encouraging industry-academia collaboration, supporting product development, and building a skilled talent pipeline.

Congratulations to the 10 newest ventures:

5Q Laser Canada,
University of Alberta

AzimUS,
University of Calgary

Carbon Cybernetics Canada,
Université de Sherbrooke

Cura,
University of British Columbia

H2OM Technologies,
Carleton University

Irréversible,
Université de Sherbrooke

Novigrad Technologies,
University of Saskatchewan

Silicon Array,
Carleton University

SurfWave Systems,
University of Toronto

[Company name undisclosed]

Industrial IMPACT

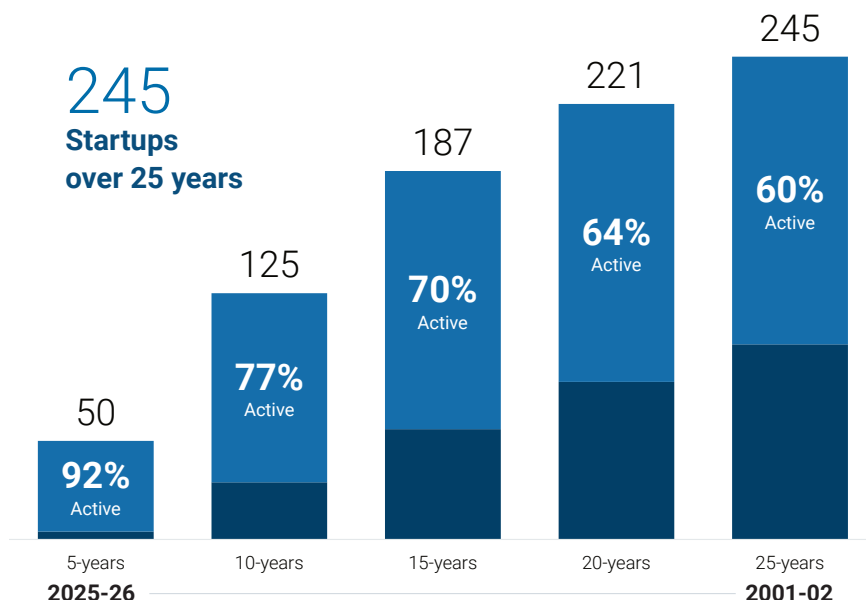
Accelerating Commercialization in Canada, 2025-26

CMC's vibrant ecosystem advances and accelerates the development of semiconductor technologies, product commercialization and related intellectual property for the benefit of Canada.

10	160	225
Startups enabled	New or improved products, processes or services	Patent applications (provisional and issued)
103	\$37.6M	15
New jobs created	Follow-on investment generated	Licensed technologies

Startup Companies - over 25 years

Over the past 25 years, researchers have reported **245** post-secondary spin-off companies: 60% of which remain Canadian controlled and active. The 10-year survival rate for CMC enabled startups is 77%, well in excess of the average rate of approximately 45%.





VIE - Virtual Incubator & Startup Companies

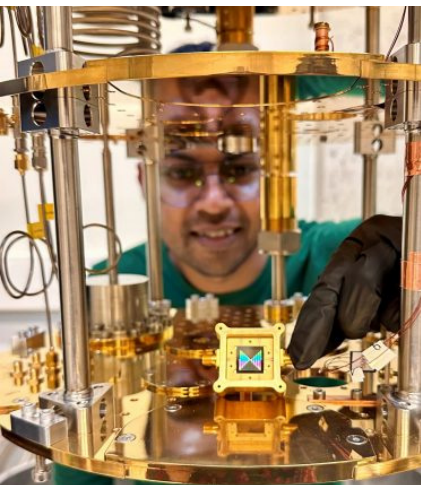
CMC's Virtual Incubator Environment (VIE) program supported **15** emerging companies in 2025-26. VIE offers a suite of CAD and Simulation Tools, training courses, webinars, documentation, and IT support, with a maximum two-business day response time. In the past five-years, VIE has hosted **49** startup companies in Canada. With multiple or renewed projects, unique transactions totaled **89** in the same period.

Through VIE, startups can access state-of-the-art-tools and new software as it becomes available.

CAD & simulation tools: \$3,000 annual fee.

Fabrication access: 20% to 50% reduction in or subsidy for eligible startups, depending on technology (additional charges may apply).

R&D, prototyping and testing services: up to ten engineering hours from CMC staff.



Cutting through the noise

Quantum technology boosts quality and speed of data transmission

As the need for faster data transfer grows in response to insatiable data centre demand, noise has become a significant issue.

Using superconducting quantum circuits, Quebec's Qubic Technologies is improving signal quality and reliability while simultaneously reducing noise, as well as heat and energy needs. This technology has powerful dual-use applications — from improved radar detection systems which will significantly improve drone detection near airports to securing Canada's Arctic coastline.

'We're really working with quantum materials like superconductors to operate microwave signals at the limit of what the fundamental laws of science allow us to do.'

—Jérôme Bourassa, founder and CEO, Qubic Technologies

Prototyping IMPACT

Chips Manufactured through CMC

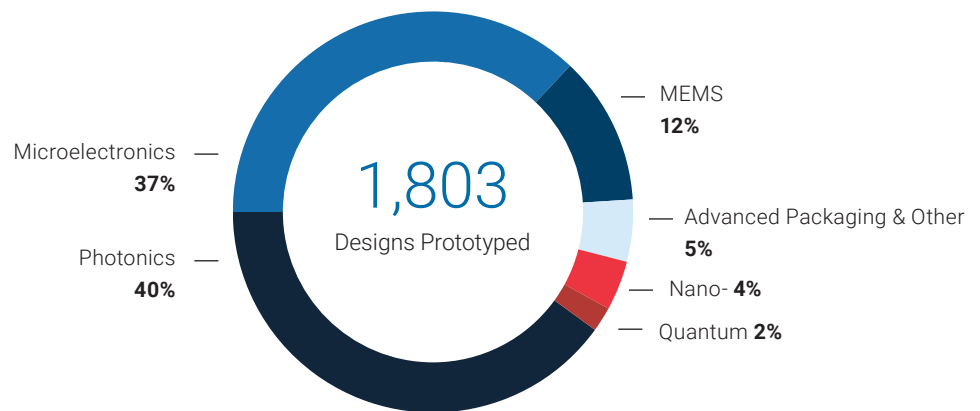
CMC delivers key services including industrial-scale multi-project wafer (MPW) manufacturing services, MicroFAB Access to Canadian micro-nano technology (MNT) open-access labs, value-added packaging and assembly services and in-house expertise for first-time-right prototypes.

13,495

Designs have been fabricated through CMC's global network

In 2025/26, **240 advanced technology prototypes** were fabricated through CMC, contributing to an average of **360** prototypes over the past five years. In a continuing trend, photonics and silicon photonics technologies outpace microelectronics designs at 40% of the total.

5-Years, 1,803 Designs Prototyped through CMC Microsystems



Period: April 2021 – March 2026
Other includes packaging, special requests & microfluidic designs.

In this five-year period, MPW manufacturing accounted for **1,369 designs**, and custom MNT labs were accessed through CMC to manufacture an additional **434 designs**. Academic researchers and industry in Canada attributed to **73%** (of 1,803). Quantum introduced in 2021/22, has resulted in **32 designs** to date.



Highly Qualified Personnel IMPACT

Semiconductor technologies are undergoing rapid change. From three-dimensional chip stacking, advanced 3-nanometre manufacturing nodes to AI infrastructure, the skills and expertise demanded by industry evolve constantly. CMC's Training Hub is a collection of specialized training, webinars and workshops that bridge the gap between theory and industry implementation designed to build a skilled workforce.

2025-26

5

CMC basecamp™ workshops;
118 attendees

18

CMC or co-hosted workshops & training events; **1269** attendees

11

Technical training courses;
402 attendees

6

Technology webinars;
249 attendees

CMC Training Hub – meeting the needs of Canadian industry

Direct access to tools and technologies for academic-industry collaboration directly leads to the transfer of highly qualified people. From silicon photonics to quantum software and hardware, expert training fortifies the pipeline of HQPs that are the bedrock of market success. CMC's training programs are well-regarded by industry and have honed the skills of tens of thousands of semiconductor professionals.

“Friends, you did such an incredible job! The day was a hit and the team worked to make sure everyone had a great experience. Bravo to all. I would be thrilled to participate in future events.”

—Mercedes Gilroy, Coin Edge Consulting
Quantum Networking Day 2025

New: Hardware Hack Days

Aimed at the next generation of innovators – and attended by **224** high school students – this novel, two-day hackathon guided them through the process of designing and building their own silicon chip.

In collaboration with the University of Waterloo and the University of Toronto, CMC welcomed participants at these two simultaneous events. Led by Tiny Tapeout, students experienced real-world design flow, description to fabrication. They learned semiconductor basics, CMOS circuits, how to build and test a system on a chip, then design their own printed circuit board.



Prototype your own design!

Basecamp workshops attract graduate students and early-career professionals – researchers who want practical experience with advanced design flows. Participants are guided through a design/fabrication/test cycle of their very own microchip.

CMC basecamp™ (Basecamp) is a portfolio of training streams in advanced semiconductor, photonics, quantum, and packaging technologies that deliver a unique combination of technical instruction with hands-on work. Training includes workshops, CAD and simulation tool access, design reviews, fabrication opportunities, and testing support. Over the course of tutorials, lectures, and workshops, participants learn to design hardware using the advanced technologies that will power tomorrow's 5G communications, artificial Intelligence, edge computing, quantum computing, and photonics-based sensors and systems.

Basecamp and workshops held in 2025/26 include:

Workshop Training

- Accelerating AI: Challenges and Opportunities in Cloud and Edge Computing
- Build Your Own Superconducting Quantum Device
- CMC PIC Packaging and Testing
- CMC/Luceda Photonics Layout
- Hardware Hack Days – University of Toronto and University of Waterloo
- QSciTech/QuantumBC/CMC Quantum Chemistry

CMC basecamp™

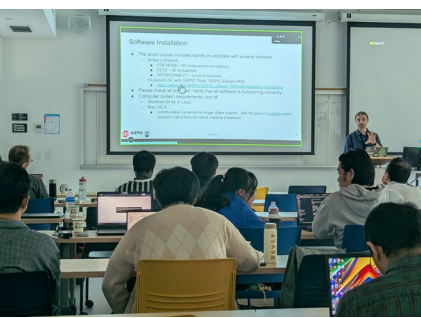
- Quantum Photonics
- Active Silicon Photonics Fabrication
- Passive Silicon Photonics Fabrication
- Low Temperature Co-fired Ceramic (LTCC) Design
- Build Your Own Superconducting Quantum Device

We wish to extend a thank you to our many Training Hub delivery partners who help reduce the learning curve for tools and technologies.

“Participating in the CMC Silicon Photonics Actives workshop was a fantastic experience. The training and the opportunity to fabricate a PIC using AMF technology were very beneficial for my research journey. The opportunity to attend lectures by expert professors throughout Canada, chat with them, and have lunch with them is a priceless experience. I highly recommend this workshop to anyone aiming to advance their expertise in silicon photonics, whether in industry or academia.”

—Ammar Ibrahim, Queen's University

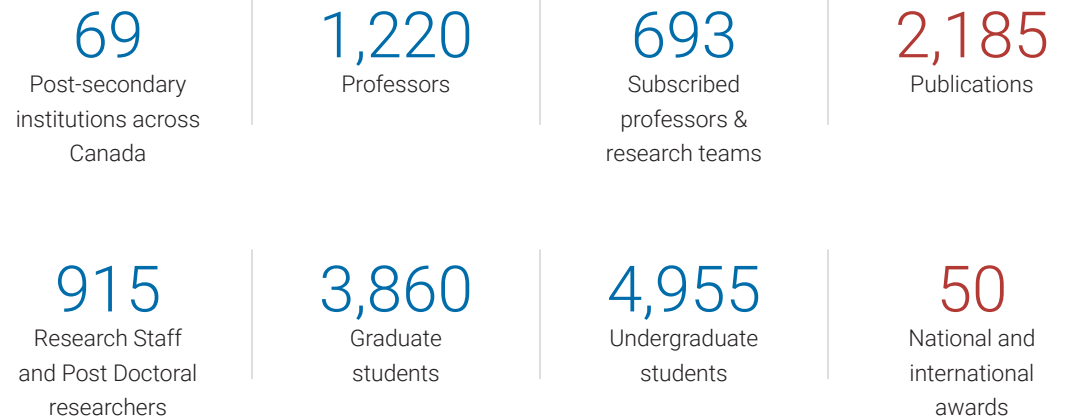
CMC basecamp™ Active Silicon Photonics Fabrication 2025



Academic IMPACT

World-class Training & Research, 2025-26

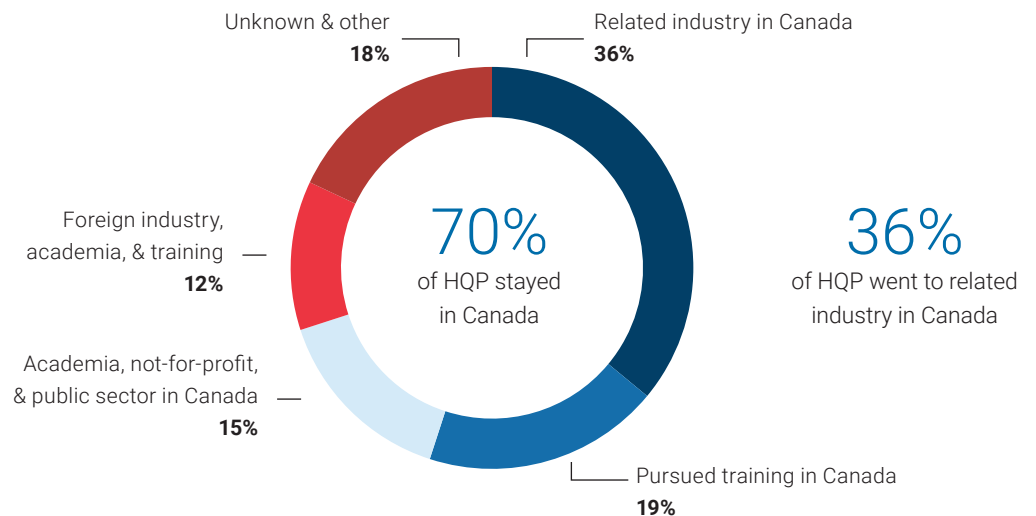
In total, 1,220 academic teams representing 69 institutions across Canada benefited from CMC infrastructure.



Cultivating Critical Skills to Secure Canada's HQP Pipeline

Research teams reported **610** HQP benefiting from CMC joined industry in Canada – injecting graduate and postdoctoral students, research staff, and undergraduates with industry-ready skills into Canada's ecosystem in 2025-26. While 70% remained in Canada (with employment in industry, academia, or other organizations), 36% of HQP moved directly to industry located in Canada,

70% of HQP Stayed in Canada, 2025-26



Period: April 2025 – March 2026



Supporting Collaboration

CMC delivers cost-effective programs that stimulate joint academic - industry projects and opportunities for knowledge exchange.

320

Academic collaborations with industry in Canada

\$22.2M

Total estimated value of the **320** Canadian academic-industry collaborations

65

Academic collaborations with government and not-for-profit organizations in Canada

315

University-University collaborations in Canada and abroad

40

Academic collaborations with industry abroad valued at **\$5.2M**



Driving Canada's East Coast Quantum Leap

The MINDI Hub (Microelectronics Innovation, Design, and Integration), a cutting-edge research hub explores innovations in materials and design to create more efficient and powerful technologies for applications like autonomous devices, ocean sensing, biomedicine, and the Internet of Things (IoT).

“The experts at CMC provide a combination of knowledge in physics and quantum computing tools that allowed us to produce circuit models of the fundamental devices by helping us develop our understanding concepts of superconductivity.”

—Dr. Jean-François Bousquet, Dalhousie University

CMC
Success Story



Global IMPACT

Benefits to Canada through Global Reach: CMC's increase in services to commercial and global customers generates revenue that accelerates innovative R&D in Canada by supporting the cost-effective delivery of advanced technologies and services to Canadian researchers.

Commercial Opportunities in 2025-26

In the past year, world-wide customers included **95** transactions from **65** unique organizations (companies, not-for-profit research organizations, and post-secondary) across **8** countries. Canadian customers were 19% of CMC's commercial business while the United States accounted for 71%.

Growth Over Past 5-years

CMC's commercial program has evolved to include fabrication training workshops and technology events, our VIE incubator for startups, contract R&D, design (CAD) and CMC Cloud, quantum computing, and services for MPW fabrication, packaging and assembly. Steady growth - to over **550** transactions from **29** countries in the past five years - demonstrates the needs of advanced technology innovators in Canada and world-wide to design, prototype and test commercial products.

Training Hub

146
Transactions

Commercial Program

405
Transactions with 151 organizations

Global Commercial Program Impact



Advancing Leading-edge Capability

CMC enables academic and industrial innovators to transition from theoretical design to physical prototyping with reduced barriers to entry.

By delivering industrial-grade CAD tools and Multi-Project Wafer (MPW) fabrication services, CMC enables academic and industrial innovators to transition from theoretical design to physical prototyping with reduced barriers to entry. CMC provides essential services for academic research, emerging companies – and their collaborative R&D.

Multi-Project Wafer (MPW) Prototyping

Fabrication and packaging services including MPW and dedicated runs in **more than 25 technologies** from 12 commercial foundries backed by engineering support.

EDA Tools and Cloud Hosting

Over 50 Computer-Aided Design (CAD) tools and design environments. A secure, distributed private cloud for hosting state-of-the-art software for successful design.

Quantum Computing Services

CMC is a proud member of the first IBM Quantum Hub at Institut quantique, Sherbrooke. As a trusted R&D partner, CMC offers quantum coding as a service to its clients.

Advanced Design Services

CMC provides technical resources and funding for collaborative R&D projects. (Funding programs: NSERC Alliance, Mitacs Elevate, etc.)

Commercial Program and Services

Specialized MPW fabrication, standard and advanced packaging, hands-on PDK use and fabrication training; Front and back-end design support; CAD, simulation and EDA tools; application development support on industry-relevant quantum computers.

Equipment Rental

Over 75 pieces of test equipment, accessories, amplifiers, analyzers, fluidics, FPGAs, signal generators and MORE available for loan; along with technical support from CMC.

Canada's Semiconductor Symposium

Accelerated. Canada's Semiconductor Symposium (CSS 2025)

November 25-26, 2025, Vancouver, BC

The semiconductor industry's signature event, *Accelerated. Canada's Semiconductor Symposium* brought our industry face-to-face with some of its key end-users: aerospace, agriculture, mining, medtech, advanced manufacturing and ocean/marine. We reviewed the state of the domestic ecosystem, mapped the path forward and built relationships with Canada's most productive industries.

Over two days, 200 participants explored the state of the industry and the market implications as Canada defines new economic and security relationships. The focus of this annual symposium was squarely on building a stronger, more resilient economy.

Thank you to our generous sponsors!





Canadian Ecosystem Events

Bridging Artificial Intelligence and Quantum Computing with Photonics

Canada's first formal training program in research and commercialization of photonics as a foundation for future hardware; co-hosted by the NSERC CREATE NUCLEUS program. (June 2025)



Quantum Entrepreneurship Workshop

64 participants gained valuable insights into the intersection of science and business, focusing on how quantum science moves from the lab to the marketplace. (October 2025)



Quantum Networking Day

In collaboration with the Institute for Quantum Computing, attendees learned how to create quantum startups and explored the challenges and opportunities present in the quantum technology field. (October 2025)



International Event Participation

CMC welcomed UK Delegation Seeking Semiconductor Opportunities with Canadian Companies. CMC has begun working with three of the participating UK companies. (April 2025)

CMC was part of the Team Canada delegation led by NGen – Canada's Global Innovation Cluster for Advanced Manufacturing, at HANNOVER MESSE 2025, the world's premier industrial trade fair. CMC's Lynn McNeil gave a keynote presentation presenting the Canadian semiconductor opportunity in the context of semiconductor supply chains. (April 2025)



CMC's Gordon Harling was a keynote speaker at InnoVex Forum in Taiwan. Themes were: Artificial Intelligence, Semiconductor Applications, Smart Mobility, Next Generation Communications and Green Technologies. The Forum attracts ~450 startup companies and 35,000 delegates. (May 2025)

CMC hosted the 28th World Micromachine Summit in Montreal, Canada. MMS 2025 featured delegations from Australia, Great Britain, Iberia, Italy, Japan, Romania, and Canada – a micro-nano technology snapshot to worldwide academic, industrial and Government initiatives. (June 2025)





Dr. Mohammad Simchi

Celebrating Innovation – 2025 Awards

Douglas R. Colton Medal for Research Excellence

Dr. Mohammad Simchi has been awarded the 2025 Douglas R. Colton Award for Research Excellence.

Dr. Simchi completed his PhD studies at the University of Toronto and now holds the Pfizer EPIC Convergence Postdoctoral Fellowship in the University of Toronto's Leslie Dan Faculty of Pharmacy.

He is developing a compact, automated system that produces essential medicines quickly, reliably, and close to the point of need. This platform, named SHOTS (Scalable High-yield On-demand Therapeutics Synthesis), brings manufacturing capacity directly to frontline clinics. With an automated, field-ready prototype already deployed in South America, Dr. Simchi is moving closer to achieving his goal of making lifesaving biologics anywhere they are urgently needed.



TEXPO 2025 – A showcase of HQP in Canada

Recognizing novel research with industrial relevance

Established by CMC, TEXPO offers graduate students in Canadian universities a unique opportunity to demonstrate their novel applications of micro-nano technologies to industry representatives and academic peers. TEXPO 2025 was held as part of Accelerated. Canada's Semiconductor Symposium in Vancouver. Congratulations to our award winners!

Award for Excellence in Microsystems CAD Tools and Design Methodology

Winner: Hao Yang

Supervisor: Roman Genov | University of Toronto

Title: Software-Defined Image Sensor with Motion-Adaptive Spatially Varying Exposure Rate

Sponsored by



Award for Excellence in Microsystems Fabrication

Winner: Zahra Sarpanah Sourkouhi

Supervisor: Mohammad Zarifi | University of British Columbia

Title: Paper-Based RFID Antennas Towards Sustainable IoT



Brian L. Barge Award for Excellence in Microsystems Integration

Winner: Jonas Welsch

Supervisor: Edmond Cretu | University of British Columbia

Title: From MEMS Design to Inline Integration: Polymer CMUTs for Real-Time Monitoring of Ultrasonic Welding in Composites



The Gayathri Singh Award for Microsystems Innovation by Women

is open to competitors



Award for Excellence in Quantum Algorithms or Computing

New for 2026

Governance & Membership

Board of Directors

Our organization extends its deepest gratitude to our volunteer Board of Directors and advisors who generously dedicate their time, expertise, and passion to ensure that we remain focused on our mission and responsive to the needs of the semiconductor ecosystem.

CMC News

After a year capped by the delivery of one of the most significant federal investments in the semiconductor sector in a generation, FABrIC, Gordon Harling, President and CEO was named Executive of the Year at the 2025 Semiconductor Achievement Awards – presented by Canada's Semiconductor Council at CHIPS NORTH Executive Summit. (May 2025)

"I am honoured and humbled to receive this award... Since joining CMC and launching FABrIC, I am more committed than ever to help advance the entire Canadian semiconductor ecosystem with partners across the country."

–
Gordon Harling
CMC Microsystems



Mr. Steve Bonham
Chair
Plant Manager
Teledyne Micralyne, Inc.



Dr. May Siksik
Vice-Chair
Chief Executive Officer
Canadian Innovation Network



Dr. Vincent Aimez
Vice-President Partnerships and Knowledge Transfer
Université de Sherbrooke
(Six-year term fulfilled, 2025)



Dr. Eric Flaim
Director
nanoFAB
University of Alberta



Mr. Gordon Harling
President & Chief Executive Officer
CMC Microsystems



Ms. Lisa Lambert
Vice President, Global Strategy and Managing Director, Canada
IonQ



Ms. Vanessa Little
Chief Technology Officer
LocalCoin



Dr. Madison Rilling
General Manager
Optonique



Dr. Jeff Young
Steward Blusson Quantum Matter Institute, Advanced Nanofabrication Facility
University of British Columbia

Officers of the Corporation

Shirley Kwakkenbos, Chief Financial Officer, Treasurer

Marie Thiele, Vice-President, Common Services

CMC proudly announced a new appointment to its senior leadership team: **Jeff McNamee**, Vice-President, FABrIC (December 2025)

Special thank you to **Lynn McNeil**, former Vice-President, FABrIC. She was instrumental in getting the program off the ground, growing the semiconductor ecosystem and positioning this generational investment for ongoing success. Thank you for everything, Lynn.

CMC Membership

CMC Members are like-minded organizations committed to advancing Canada's semiconductor industry. Today, there are 95 CMC Members – 69 are post-secondary institutions in Canada.

Thank you for your support!

Founding Members

We wish to extend a special thank you to **25** Canadian post-secondary institutions that have been CMC Members for over 40 years!



New Corporate Members in 2025-26



Norcada | www.norcada.com



VueReal | vuereal.com

Membership in CMC (the Corporation) consists of organizations whose application has received the approval of CMC's Board of Directors. Learn more: www.cmc.ca/governance

CMC Financial Summary – March 31, 2026

April 1, 2025 – March 31, 2026

CMC delivers on its mission primarily through the FABrIC program, supported by the company's commercial arm. FABrIC is funded by the Innovation, Science and Economic Development Canada's Strategic Response Fund and a variant of user fees. The funding agreement for this program was amended in 2025, resulting in \$2.4M retroactive revenue, all of which was recognized in the 2025-26 fiscal year. The current year increase in expenditures correlates with the FABrIC Challenge grants issued.

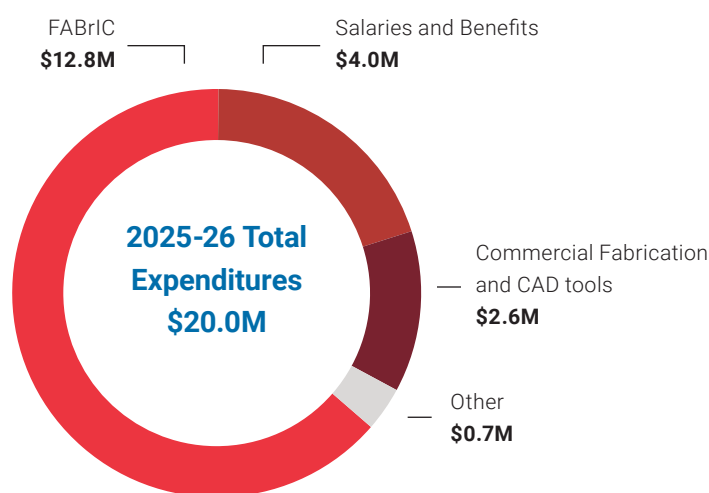
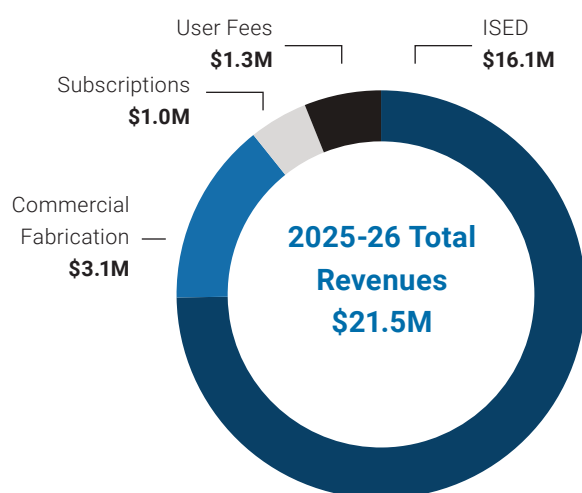
Statement of Financial Position as of March 31, 2026

Assets	2026	2025
Current Assets	9,048,303	6,813,823
Long-term Assets	72,096	85,080
	\$9,120,399	\$6,898,903

Liabilities & Net Assets	2026	2025
Liabilities	9,684,682	8,986,209
Net Assets	-564,283	-2,087,306
	\$9,120,399	\$6,898,903

Statement of Revenue and Expenditure for the year ended March 31, 2026

Operations	2026	2025
Revenues	21,535,763	13,419,183
Expenditures	20,012,740	17,066,020
	\$1,523,023	-\$3,646,837



Appendix A – FABrIC Funded Projects

FABrIC: A generational investment by the Government of Canada

FABrIC is a Strategic Response Fund initiative of the Government of Canada to accelerate domestic capabilities in advanced semiconductor design and manufacturing. Managed by CMC Microsystems, FABrIC galvanizes national strengths in photonics, MEMS, compound semiconductors and quantum technologies, accelerating commercialization and amplifying Canada's competitive advantages by maximizing the economic impact of its semiconductor sector.

Market-ready semiconductor innovation

Marquee programs include Challenge funding, the Quantum Computing Sandbox and Training. Challenge funding supports the development of fabrication processes and IoT products that build national capacity. The Quantum Computing Sandbox is Canada's first program to enable access to state-of-the-art quantum computing platforms. The FABrIC training portfolio provides specialized skills development for graduate students, early and mid-career professionals in the highly technical and demanding processes of the semiconductor sector.

Fabrication Process Challenges 2025



Aeponyx Enterprises Inc.

Project: Development of an advanced integrated photonic platform targeted for operation between 450 and 1065 nm for quantum applications.

Montreal, Quebec

\$876K



Anyon Systems Inc.

Co-Lead: **C2MI** – Centre de Collaboration MiQro Innovation

Project: Low Volume Prototyping and Testing of 3D Quantum Chips.

Dorval Quebec

\$1M



C2MI – Centre de Collaboration MiQro Innovation

Co-lead: **Institut interdisciplinaire d'innovation technologique** (3iT), Université de Sherbrooke

Project: Die to Wafer (D2W) Heterogeneous Direct Bonding.

Bromont, Quebec

\$119K



Dream Photonics Inc.

Project: LINC3D – Laser-Integrated Nanophotonic Chiplets using 3D Printing, Fabrication Process Development.

Vancouver, BC

\$322K



Jones Microwave Inc.

Project: Commercial Scale-Up of High-Frequency, High-Power, and High-Speed Light-Activated Solid-State Plasma Switches.

Edmonton, Alberta

\$349K



INO (Institut national d'optique)

Co-leads: **Aeponyx Enterprises Inc.**

C2MI – Centre de Collaboration MiQro Innovation

EXFO Inc.

Project: Establishing a Canadian TFLN integrated circuit prototyping and fabrication capacity.

Quebec City, Quebec

\$965K



Micro-°K Sensors Inc.

Project: New fabrication processes for advanced MEMS thermal sensors.

Montreal, Quebec

\$922K



OmniPLY Technologies Inc.

Project: Next Generation III-V Semiconductor Wafer Platform for Large-Format Integrated Photonics.

Montreal, Quebec

\$571K

quantum recon

Quantum Recon

Project: Quantum I/O: Fabricating next generation photonic circuits to unlock scalable quantum computing.

Vancouver, British Columbia

\$691K



Teledyne MEMS (a business unit of Teledyne Digital Imaging Inc.)

Project: Cu-TSV platform development.

Bromont, Quebec

\$409K

Product Development Challenge Recipients 2025



Axonal Networks Inc.

Project: paraDOX™ (parallel Digital Optical Cross (X) Connect) A new Ethernet packet switch architecture using silicon photonic optical logic.

Location: Montreal, Quebec

Funding: \$850K



Boréas Technologies Inc.

Project: Force and location sensor with piezo haptic driver integrated on a single die using a single piezo transducer.

Location: Bromont, Quebec

Funding: \$925K

DIGITHO

Digitho Technologies Inc. (DIGITHO)

Project: Reprogrammable photomask for direct writing capability in semiconductor lithography.

Location: Bromont, Quebec

Funding: \$438K



Edgewater Wireless Systems Inc.

Project: Next generation Spectrum Slicing for IoT and Wi Fi applications.

Location: Kanata, Ontario

Funding: \$921K



ICSPI Corp.

Project: Development of an atomic force microscope semiconductor metrology system.

Location: Waterloo, Ontario

Funding: \$623K



MMSense Technologies Inc.

Co Lead: **C COM Satellite Systems Inc.**

Project: High efficiency beamforming IC and intelligent beam forming antenna modules for satellite IoT and ESA terminals.

Location: Waterloo, Ontario

Funding: \$911K



PROVA Innovations Ltd.

Project: Advanced ASIC development for real time gait analysis in rehabilitation devices.

Location: Ancaster, Ontario

Funding: \$398K



Qubic Inc.

Project: Development and commercialization of low noise superconducting amplifiers for scalable quantum computing.

Location: Sherbrooke, Quebec

Funding: \$925K



Ranovus Inc.

Project: ODIN® ELS Canada Capability Demonstrator (ELS CCD).

Location: Kanata, Ontario

Funding: \$923K



Soundskrit Inc.

Project: Development of a directional MEMS microphone resilient to wind noise for outdoor consumer devices.

Location: Montreal, Quebec

Funding: \$173K

“As AI becomes foundational to how Canada competes, innovates, and protects its interests, we need trusted, sovereign sources for the semiconductor technology underneath it. FABrIC’s support for Raptor lets us accelerate getting the next generation of ODIN® to market, proving that Canadian-designed co-packaged optics can serve the most demanding AI workloads — built here, deployed here, and trusted by our allies. We’re grateful to the Government of Canada and FABrIC for backing sovereign capability where it belongs: in Canada.”

—Mike Sekerka, VP & GM Defence & Government Business Unit, Ranovus Inc.

Appendix B – Canada's Defence Ambitions Must Include the Semiconductor Industry

By Gordon Harling

February 17, 2026: The rapid uptick in defence investment under the Carney government is an opportunity to strategically bolster Canada's semiconductor ecosystem as part of a broader re-industrialization effort.

Semiconductor-based technologies used for defence are often proven first in commercial industries where equipment must operate securely and reliably in harsh conditions. Semiconductors are critical infrastructure at the heart of industry, and military-grade technologies have a long history of being repurposed for broader societal and economic benefit.

Canadian companies in mining, agriculture, automotive, marine and oceans, healthcare and biotechnology are all able to compete globally by integrating the intelligence made possible by semiconductor technologies into specialized equipment and software.

The dual use nature of defence technologies hammer home the need for a cohesive, national strategy to accelerate the expansion of Canada's semiconductor sector industry so it can continue to contribute to the nation's sovereignty, security and productivity.

Canada is focused on where it excels

Our heritage in telecommunications – think Nortel and Blackberry – have put Canada in a strong position to advance key semiconductor technologies and secure communications, which are integral to defence:

Compound semiconductors, which combine two or more different elements, sit at the core of modern radar, secure communications, power conversion and space systems. The federal government is already funding further development through the Strategic Response Fund and the FABrIC program, managed by CMC Microsystems.

Photonics, which uses light to carry and process information through fibers or tiny chips and turns it into useful signals for the internet and sensors, are found throughout defence applications including communications and navigation. The federal government earmarked money in its 2025 budget to advance photonic networking, sensing and secure communications as part of a broader initiative to fund quantum technologies for defence.

Physical artificial intelligence (AI) combines AI algorithms with hardware such as cameras, lidar, microphones, robots, drones or vehicles so machines can perceive, reason and take actions in real-world environments. The 2024 Department of National Defence / Canadian Air Force AI Strategy frames AI as a strategic capability.

Quantum-based ultra-precise sensing and ultra-secure communication are strategic technologies for defence globally. Canada is funding their development through the Defence Industrial Strategy as well as the recently launched Canadian Quantum Champions Program (CQCP).

Launched as a rival to the U.S. DARPA's Quantum Benchmarking Initiative, which Canadian firms have also joined, the CQCP aims to retain quantum talent and IP in Canada amid competition from U.S. defence funding. Participating companies in both programs including Xanadu, Nord Quantique and Photonic reflect our rapidly maturing Canadian capabilities in quantum and the breadth of our talent pool, which was spawned by our telecommunications industry.

The CQCP exemplifies how Canada can directly accelerate development of semiconductor technologies for defence, as does the recently announced Regional Defence Investment Initiative, which specifically calls out microelectronics with defence applications as qualified candidates for the program.

Appendix B – Canada’s Defence Ambitions Must Include the Semiconductor Industry

Semiconductors and defence are synergistic

Aligning semiconductor innovation with national defence ambitions is not without precedent, and many innovations we take for granted in everyday life were borne out of military endeavours.

GPS was initially created by the U.S. Department of Defence in the 1970s for guiding missiles from submarines. Integrated circuits (ICs), the foundational semiconductor technology powering countless life-saving medical devices, including pacemakers and defibrillators, were driven to mass production by U.S. military programs such as the guidance systems for the Apollo missions.

Canada’s semiconductor industry has been intertwined with defence since the early Cold War, primarily as a dual-use supplier embedded in a broader Canada–U.S. defence industrial system.

The dual-use nature of many defence technologies illustrates the societal benefit that comes from building robust semiconductor technologies that can operate reliably and securely in dynamic and extreme conditions.

Compound semiconductors are critical for automotive power systems and mining equipment that feature rugged designs suited for harsh environments, making them ideal for defence applications such as sensors and radar.

Sonar, navigation and engine control technologies for marine environments can be adapted for naval surveillance and submarine detection to protect regions such as the Canadian Arctic. These dual-use advancements leverage Canada’s strong ocean technology ecosystem where harsh marine conditions demand robust, reliable chips.

Precision farming sensors developed for agricultural crop monitoring can be repurposed for military surveillance in many different environments.

Emergency services and response applications are also an ideal proving ground for semiconductor technologies that also have use in defence. Many dual use technologies designed for public emergency

situations such extreme weather and natural disasters can contribute to our national security.

Advancing and proving out the rugged capabilities of semiconductor technologies in commercial sectors helps solutions get to market faster and grow the economy. This enables Canadian companies to scale faster with paying customers who become references for defence procurement opportunities.

The cross-pollination of commercial industries with defence demonstrates how dual-use technologies can help secure the country while offering broader societal benefits, grow key sectors of the economy and create jobs.

Existing funding mechanisms can be easily replicated

Revitalizing the powerful synergies between Canada’s semiconductor capabilities and defence ambitions requires a cohesive strategy. We must create an environment conducive to building dual use technologies that can be rapidly and widely deployed.

The existing FABrIC program launched in 2024 to boost Canada’s semiconductor ecosystem provides a ready-made blueprint to build a supportive ecosystem that brings together defence authorities, academic institutions and SMEs.

A FABrIC-like initiative to fund training, prototyping and development, as well as necessary research and fabrication facilities, will enable Canada’s semiconductor industry to advance technologies for defence applications in the areas of photonics, compound semiconductors, quantum technologies and physical AI.

Ottawa’s commitment to increasing Canada’s contributions to NATO and the exigencies of defence present a natural and compelling opportunity to invest in a more robust domestic semiconductor ecosystem — one with broad industrial, societal and economic benefits.



Let's work together!
www.cmc.ca