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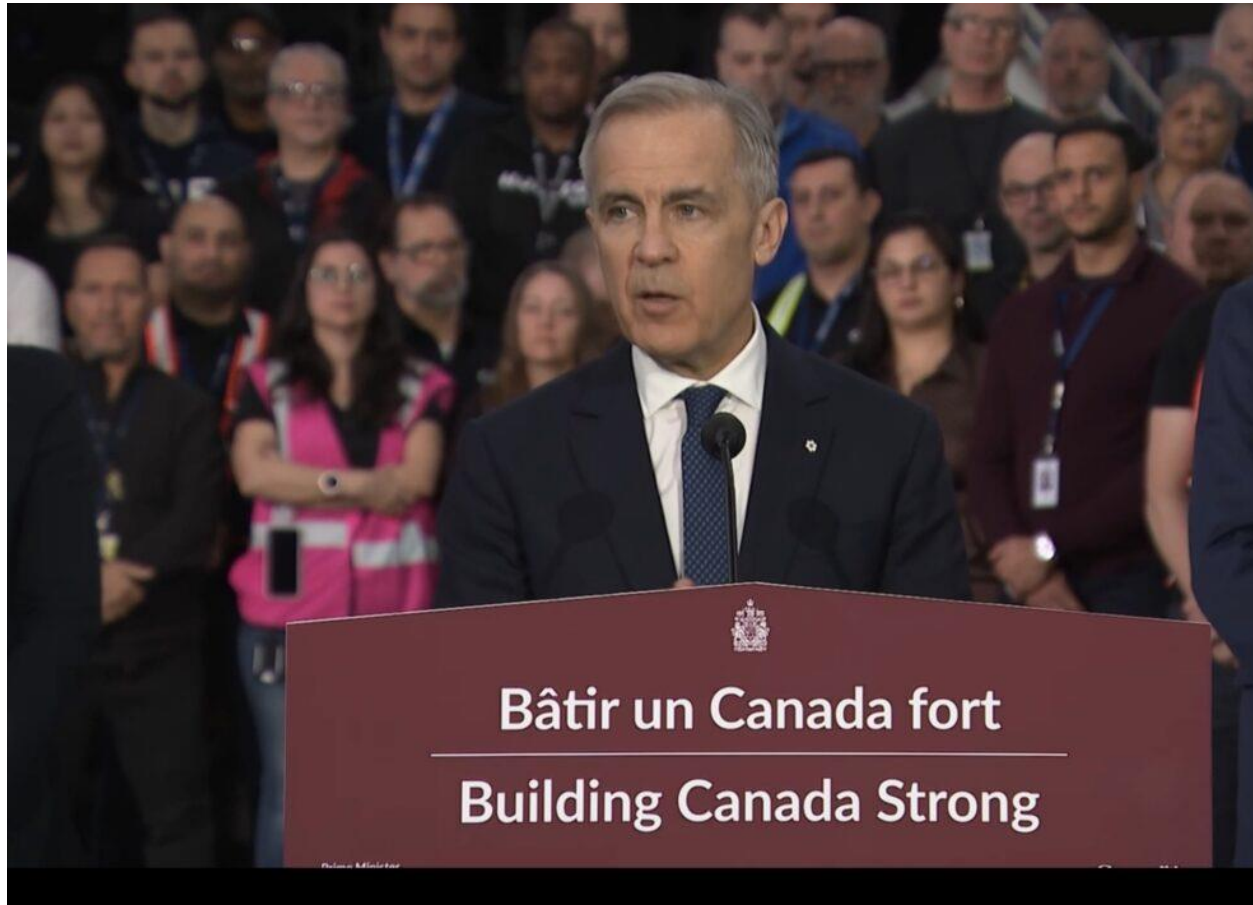
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Canada Launches First Defense Industrial Strategy to Strengthen Security and Prosperity



Vancouver, British Columbia, February 18th, 2026. Yesterday on February 17th, in Montréal, Prime Minister Mark Carney unveiled Canada's first-ever Defense Industrial Strategy, a sweeping plan to reorient military procurement toward Canadian suppliers and bolster the country's sovereign capabilities. In a speech at CAE's Montreal campus, Carney stressed that "the work of defending Canada is the work of building Canada. Security and prosperity are mutually reinforcing foundations of the true North, strong and free". The strategy represents a generational investment, officially "over half a trillion dollars" in Canadian security, economic prosperity and sovereignty and sets ambitious targets over the next

decade. It would create 125,000 high-paying careers, grow defense exports by 50%, and raise the share of defense contracts awarded to Canadian firms to 70%. In practical terms, this means redirecting more of the roughly \$180 billion in planned procurement and \$290 billion in associated capital investments into Canadian hands.

Carney and his cabinet described the strategy as a threefold effort to protect Canada's sovereignty, build prosperity, and strengthen strategic autonomy. The government's press release explains that for decades Canada's defense procurement has been "too complicated, too slow, and too reliant on international suppliers," leaving domestic firms without the demand needed to scale up. By contrast, the new approach insists on a "build, partner, buy" framework. Wherever possible, Canada will build at home, meaning "new defense procurements will prioritize Canadian firms and Canadian manufacturing as a matter of policy". Where domestic production isn't feasible, it will partner with trusted allies, for example on joint projects and only as a last resort will Canada buy equipment outright from abroad, and even then only with "strong conditions" to ensure economic benefit flows back. "Buy Canadian will be the North Star toward a new way of doing business in defense acquisitions," the release says, aiming to "reduce overreliance on foreign suppliers" and "foster national champions in our defense industry". As Carney put it in Montréal, military procurement "will be directed to Canadian firms first," and "only after exhausting those first two options will we buy from abroad".

Alongside procurement reforms, the strategy dramatically steps up R&D and innovation spending. Ottawa will boost defense-related research by 85%, with big new funds for dual-use technologies in AI, quantum, robotics and autonomous systems. New programs include a \$4 billion Defense Innovation Platform at the Business Development Bank, hundreds of millions more to help small and medium-sized firms enter defense supply chains, and a dedicated Drone Innovation Hub at the National Research Council. Minister of Industry Mélanie Joly said "the strategy will grow our domestic industrial base, create high-quality jobs in every region of the country, and position Canadian companies to compete and win globally". In

short, Ottawa is signalling a sustained pipeline of orders and capital for Canada's aerospace, cyber, robotics and dual-use tech sectors. That is a move welcomed by business groups as a "clear, accountable vision" for the defense industry.

Industry Perspective: What It Means for INDROTEK and Canadian Tech Firms

Canadian defense companies and technology firms have broadly cheered the announcement as a historic shift. Industry representatives noted that the targets and new transparency (with measurable goals) give them confidence to invest and hire. The Canadian Association of Defense and Security Industries (CADSI) called it a "historic turning point" that, for the first time, provides a "clear, accountable vision" for growing Canada's sovereign capabilities. The Business Council of Canada similarly praised the plan as supporting "secure, high-paying jobs" and Canadian leadership in critical technologies. These endorsements suggest domestic contractors can expect steadier demand and stronger domestic partnerships.

For the INDROTEK, whose divisions include InDro Robotics (drone and robotics R&D) and Bravo Zulu (counter-drone security), the strategy is especially significant. InDro Robotics, for example, has been advocating that a strong defense-industrial policy must put innovators and SMEs at the core. On its website, InDro Robotics notes that the strategy "spells unprecedented opportunities for Canadian technology and R&D firms to assist in developing technologies that will help safeguard Canada's future". InDro's submission to Parliament argues that Canadian startups and scaleups should be able to grow in secure home markets. As the company put it, "without predictable procurement pathways" and support for SME scale-up, the government "risks falling short of its objectives". The new policy appears to take up those ideas, signalling billions for small-company R&D and promising the government will work closely with industry through a permanent defense Advisory Forum and faster security clearances.

Specifically, INDROTEK's ecosystem can look for business in many of the strategy's focus areas. InDro Robotics has developed multiple drones, ground robots and

leveraged AI systems, exactly the dual-use technologies the government identified as priorities. The new emphasis on local production means Bravo Zulu's counter-UAS systems could see stronger domestic procurement (and export support). In all cases, the message is clear. Defense contracts will tilt toward Canadian suppliers, and high-value intellectual property and manufacturing will be kept at home. As the strategy document emphasizes, every dollar spent will be "to maximise jobs, careers, and industries right here in Canada".

The Defense Investment Agency: Streamlining Procurement and Partnerships

A central pillar of the new strategy is the Defense Investment Agency (DIA), a dedicated procurement agency established last autumn. Carney and his ministers describe the DIA as a "one-stop-shop" to cut red tape and speed up acquisitions. According to the government, the DIA will "streamline processes, cut red tape, and speed up delivery" of equipment to the Canadian Armed Forces. It is housed within Public Services and Procurement Canada and led by CEO, Doug Guzman. With new authorities, the DIA will reduce administrative overhead and ensure that CAF (and Coast Guard) purchases happen faster and more efficiently. Crucially, the DIA is empowered to leverage joint procurement projects with allies and to negotiate terms that link contracts to Canadian jobs and IP. As the published strategy notes, the DIA was created in October 2025 to "accelerate the timeline of defense procurements to strengthen Canada's defense industrial base, and attract investment into Canada's defense industry". In practice, analysts say this should mean defense projects from shipbuilding and jet maintenance to next-generation drones and munitions will be managed with a domestic-industrial lens from day one. The agency will also coordinate with allies on shared programs (for example, under NATO initiatives) and push to make Canadian suppliers part of larger multinational supply chains.

The DIA, therefore, acts as the operational arm of the strategy. It will be responsible for "re-equipping our military and driving economic benefit" from Canada's massive defense investment. It will field joint procurement teams, speed up contracting, and

engage industry continually through the new advisory forum (reported as DIA-led). Carney summarized its role simply. The DIA will “equip the CAF with what it needs, when it needs it, and will prioritize manufacturing and strategic partnerships with Canadian firms, including small and medium-sized businesses”. For companies like INDROTEK, the DIA is an encouraging sign that Ottawa intends to institutionalize industry collaboration and predictable contract awards.

What It Means for Investors

From an investor’s standpoint, Canada’s new Defense Industrial Strategy offers both clarity and scale. The government has effectively guaranteed a decade of amplified defense spending with domestic content rules. The targets of 125,000 jobs, 220% growth in sector revenues, and 50% more exports provide measurable benchmarks for the industry. Analysts say this improves the business outlook for defense and technology companies, as the Business Council of Canada noted, “investing in Canada’s defense industrial base supports secure, high-paying jobs and helps the government uphold its commitments to allies”. For INDROTEK investors in particular, the strategy underwrites a pipeline of government contracts in drones, counter-drone systems, robotics and other high-tech areas where the company operates. INDROTEK’s management has pointed out that it is already working on defense projects and that the firm’s dual-use technologies can be “rapidly swapped over from industrial to defense” applications.

In sum, the DIS is meant to turn pledged defense dollars into tangible capability and economic growth. Industry and policy experts caution that execution will be critical. The true test will be in translating funding into deployed equipment and industrial growth, but the direction is clear. By prioritizing “Buy Canadian” and beefing up R&D support, Ottawa has signalled decades of demand for local suppliers. For investors, that suggests potential upside in Canadian defense-tech companies and their supply chains. As one industry leader put it, this strategy makes clear that Canada is “meeting the moment” to turn defense spending into jobs, innovation and sovereign capability. Ultimately, the DIS promises a more stable environment

for the defense sector. Companies that win work today can expect “predictable procurement pathways” and government support to scale up with a policy framework that could help small innovators like INDROTEK grow into global players.

About INDROTEK

INDROTEK is a Vancouver-based group of robotics companies (including InDro Robotics, Bravo Zulu, and Stratocom) that designs, integrates and operates AI-powered air and ground systems for defence, critical infrastructure and commercial customers. The group develops cutting-edge autonomous systems for customers such as government agencies and critical infrastructure operators. INDROTEK’s mission is to bridge commercial and defense technology needs while adhering to all regulatory and security requirements.

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- Geopolitical events and supply chain disruptions.
- Market conditions and demand for INDROTEK's products and services.

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