Canadian Space Agency | Agence spatiale canadienne

Canadian Space Agency

2026-2027

Quarterly Financial Report

For the Quarter Ended

September 30, 2026

Management Statement
for the Quarter Ended September 30, 2026

Canadian Space Agency
Quarterly Financial Report
For the quarter ended September 30, 2026

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1. Introduction

This quarterly report has been prepared by management as required by section 65.1 of the *Financial Administration* Act, and in the form and manner prescribed by the Treasury Board. It has not been subject to an external audit or review, but has been reviewed by members of the Canadian Space Agency's (CSA) Audit Committee, who are satisfied with its presentation and content. This quarterly report should be read in conjunction with the 2026–27 Main Estimates [1].

1.1 Mandate and Program Activities

The CSA mandate is *to promote the peaceful use and development of space, to advance the knowledge of space through science and to ensure that space science and technologies provide social and economic benefits for Canadians.*

More information is available on the CSA's mandate and on the departmental results framework in the latest Departmental Plan[1].

[1] *The financial data presented as planned expenditures in the Main Estimates (ME) and the Departmental Plan may differ from the authorities available presented in this Quarterly Financial Report (QFR). The Departmental Plan data includes estimated adjustments to the ME for the entire year, whereas the QFR presents only the authorities granted to this date through the Estimates process (i.e. the ME).*

1.2 Basis of Presentation

This quarterly financial report (QFR) has been prepared using an expenditure basis of accounting. The Statement of Authorities annexed to this report includes the CSA's spending authorities granted by Parliament and those used by the CSA, consistent with the Main Estimates and Supplementary Estimates (if applicable) for the current financial year. This QFR has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

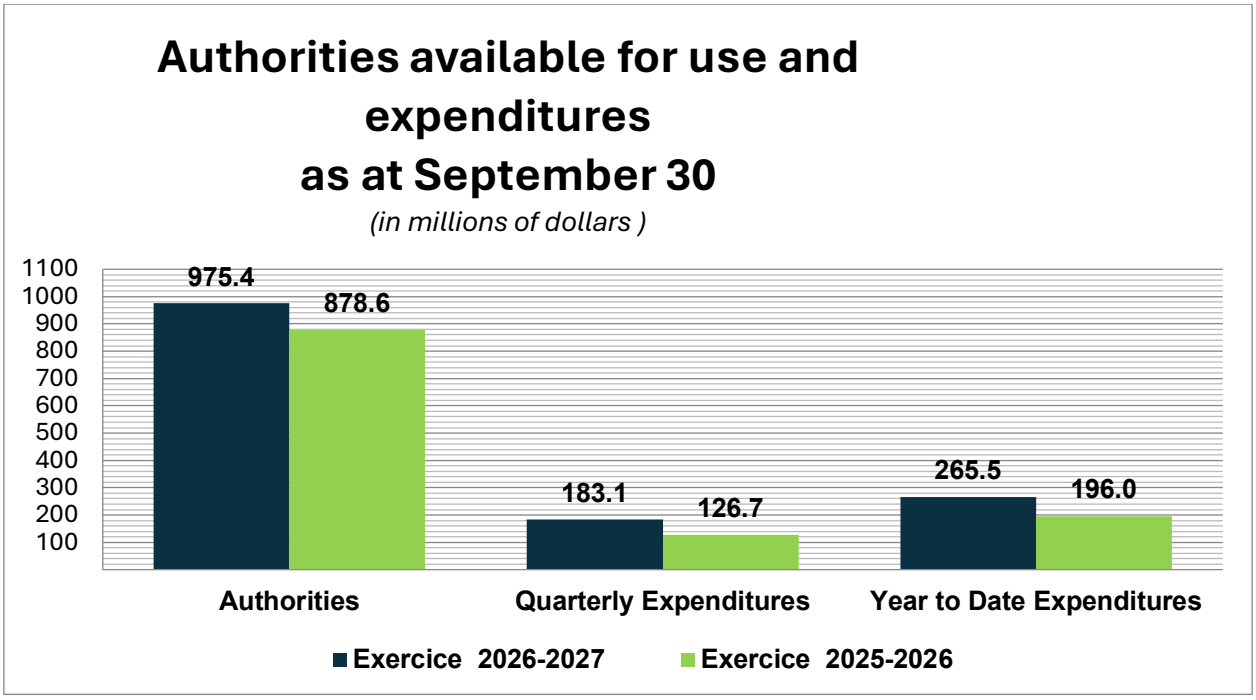
The authority of Parliament is required before money can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes.

The CSA uses the full accrual method of accounting to prepare and present its annual financial statements, which are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis, which is a partial accrual method of accounting. The partial accrual method of accounting includes disbursements as well as some accruals for salaries and salary allowances.

2. Highlights of the Quarterly Financial Results

This section highlights the significant elements that contributed to the changes to the authorities available for the fiscal year, as well as to the quarterly and year-to-date expenditures for the quarter ended September 30, 2026.

The following graph provides an overview of the variations in the available authorities and the expenditures. Additional details on these variations are provided in sections 2.1 and 2.2 as well as in the appended annexes.



Totals may not add up with the Annexes due to rounding.

2.1 Significant Changes in the Authorities (Total Votes Available for Use) between fiscal years 2026-2027 and 2025-2026

The total vote available for use as at September 30, 2026, is $975.4 million, which represents an increase of $96.8 million compared to the same period in the previous year (11%).

Authorities *(in thousands of dollars)*	**2026-2027**	**2025-2026**	**Variance**	**%**
Vote 1 - Operating expenditures	314,272	293,711	20,561	7%
Vote 5 - Capital expenditures	580,325	500,420	79,905	16%
Vote 10 - Grants and contributions	60,981	67,018	(6,037)	(9%)
Contributions to employee benefit plans	19,715	17,358	2,357	14%
Proceeds from disposal of surplus Crown assets	93	56	37	66%
Total budgetary authorities	**975,386**	**878,563**	**96,823**	**11%**

Authorizations related to Vote 1 (operating expenditures)

At September 30, 2026, authorizations totalled $314.3 million, compared with $293.7 million at September 30, 2025, an increase of $20.6 million (7%).

The increase is mainly explained by the following items:

- An increase of $25.4 million for activities related to the successor to the RADARSAT Constellation Mission.
- An increase of $16.9 million for activities related to the Lunar Exploration Acceleration Program (LEAP) - Canadian Lunar Utility Vehicle project.
- An increase of $15.8 million for activities related to the RADARSAT Constellation Mission (RCM).
- A decrease of $3.1 million for activities related to the project Mission High-Altitude Aerosols, Water vapor and Clouds (HAWK) - Thin Ice Clouds and Far InfraRed Emissions (TICFIRE).
- A decrease of $6.4 million representing the CSA's contribution to the comprehensive expenditure review announced in Budget 2025.
- A decrease of $9.6 million related to the lower operating budget carry-forward received in 2026–2027 compared to the amount received in 2025–2026.
- A decrease of $10.7 million for activities related to the International Space Station (ISS) project.
- The residual difference consists of multiple variations inherent to the Canadian Space Program (CSP) Resource Management. They result from the fact that budgetary requirements by vote are not linear from one year to the next, requiring vote transfers or fund carry forwards to another fiscal year.

Authorizations related to Vote 5 (capital expenditures)

At September 30, 2026, authorizations totalled $580.3 million, compared with $500.4 million at September 30, 2025, which represents an increase of $79.9 million (16%).

The increase is mainly explained by the following items:

- An increase of $38.2 million in activities related to the Canadarm 3 project.
- An increase of $26.5 million related to the capital budget carry-forward received in 2026–2027, which is higher than the amount received in 2025-2026.
- An increase of $19.8 million for activities related to the project Mission High-Altitude Aerosols, Water vapor and Clouds (HAWK) - Thin Ice Clouds and Far InfraRed Emissions (TICFIRE).
- A decrease of $9.9 million for activities related to the Lunar Exploration Acceleration Program (LEAP) - Canadian Lunar Utility Vehicle project.
- A decrease of $10.6 million in activities related to Gateway Station External Robotic Interfaces (GERI).

- The residual difference consists of multiple variations inherent to the Canadian Space Program (CSP) Resource Management. They result from the fact that budgetary requirements by vote are not linear from one year to the next, requiring vote transfers or fund carry forwards to another fiscal year.

Authorizations related to Vote 10 (grants and contributions)

At September 30, 2026, authorizations totalled $61 million, compared with $67 million at September 30, 2025, which represents a decrease of $6 million (-9%).

The decrease is mainly explained by the following items:

- An increase of $2.3 million for the contribution program under the Canada-European Space Agency Cooperation Agreement (ESA).
- A decrease of $3.8 million in the Grants and Contributions Program supporting research, awareness, and education in space science and technology.
- The residual difference consists of multiple variations inherent to the Canadian Space Program (CSP) Resource Management. They result from the fact that budgetary requirements by vote are not linear from one year to the next, requiring vote transfers or fund carry forwards to another fiscal year.

2.2 Significant Changes in the Quarterly and Year-to-Date Expenditures (Votes Used) between fiscal years 2026-2027 and 2025-2026

Cumulative expenditures as at September 30, 2026, are $265.5 million and represent a cumulative increase of $69.4 million over the same period last year. Quarterly expenditures as at September 30, 2026, are $183.1 million and represent an increase of $56.3 million over the same period last year.

Expenditures by Vote as of September 30

Expenditures by Vote *(in thousands of dollars)*	2026-2027		2025-2026		Variance	
	Quarterly	Year to date	Quarterly	Year to date	Quarterly	Year to date
Vote 1 - Operating expenditures	67,561	109,633	62,600	96,519	4,961	13,114
Vote 5 - Capital expenditures	106,645	131,596	55,779	73,831	50,866	57,765
Vote 10 - Grants and contributions	3,954	14,385	4,026	17,014	(72)	(2,629)
Contributions to employee benefit plans	4,928	9,857	4,339	8,679	589	1,178
Spending of proceeds from disposal of surplus Crown assets	-	-	-	-	-	-
Total budgetary expenditures by Vote	**183,088**	**265,471**	**126,744**	**196,043**	**56,344**	**69,428**

Expenditures related to Vote 1 (operating expenditures)

The increase of $5 million in quarterly expenses (8%) is mainly explained due to variations in the payment schedule for the Canadian International Space Station (ISS) program. The $13.1 million (14%) increase in year-to-date expenditures is mainly due to variations in the payment schedule of projects such as the Canadian International Space Station (ISS) Program and the Canadian Lunar Utility Vehicle project.

Expenditures related to Vote 5 (capital expenditures)

The increase of $50.9 million in quarterly expenses (91%) and the $57.8 million (78%) increase in year-to-date expenditures is primarily explained due to variations in the payment schedule of projects such as the Radarsat+ satellite replenishment project and Canadarm3.

Expenditures by Standard Object as of September 30

Expenditures by Standard Object *(in thousands of dollars)*	2026-2027		2025-2026		Variance	
	Quarterly	Year to date	Quarterly	Year to date	Quarterly	Year to date
Personnel	39,184	70,558	38,254	65,907	930	4,651
Transportation and communications	1,380	2,474	1,242	2,017	138	457
Information	283	527	194	261	89	266
Professional and special services	107,935	144,517	76,433	102,521	31,502	41,996
Rentals	1,645	2,264	1,390	2,304	255	(40)
Repair and maintenance	799	1,567	508	652	291	915
Utilities, materials and supplies	337	690	437	774	(100)	(84)
Acquisition of land, buildings and works	12	12	24	24	(12)	(12)
Acquisition of machinery and equipment	25,340	26,258	2,107	2,423	23,233	23,835
Transfer payments	3,955	14,385	4,026	17,014	(71)	(2,629)
Other subsidies and payments	2,218	2,219	2,129	2,146	89	73
Total budgetary expenditures by Standard Object	**183,088**	**265,471**	**126,744**	**196,043**	**56,344**	**69,428**

Total CSA expenses reported in the 2nd quarter of 2026-2027 amounted to $183.1 million, compared with $126.7 million for the same period last year. This represents an increase of $56.3 million (44%) on the previous year.

Cumulative expenditures as at September 30, 2026, totalled $265.5 million, compared with $196 million for the same period last year. This represents an increase of $69.4 million (35%) over the previous year.

Significant variances, by standard object, are as follows:

Professional and special services

The increase of $31.5 million in quarterly expenses (41%) and the $42 million (41%) increase in year-to-date expenditures is mainly explained by variations in the payment schedule of projects such as the Canadian International Space Station (ISS) Program and Canadarm3.

Acquisition of equipment and tools

The $23.2 million (1103%) increase in quarterly expenditures and the $23.8 million (984%) increase in year-to-date expenditures are primarily explained by variations in the payment schedule for the Radarsat+ satellite replenishment project.

3. Risks and Uncertainties

The CSA operates in an ever-changing environment. The specific nature of the Canadian Space Program (CSP) exposes the CSA to challenges related to the development of advanced technologies as well as the international dimension of certain projects. For Canada, space activities must be carried out in partnership with other space-faring nations, using innovative technologies. The international nature and technical challenges associated with developing and implementing innovative technologies, in collaboration with multiple partners, generate risks in project delivery. Likewise, the possibility of service interruptions or unauthorized disclosure of information resulting from a cybersecurity incident poses an additional risk to CSA operations. These factors translate into financial risks associated with the use of funds, such as the carry-forward of funds and increased costs.

Risks also arise from the Canada / ESA Cooperation Agreement, such as amounts payable that vary according to changes in gross national product (GNP) statistics, fluctuations in the Canadian dollar relative to the euro (exchange rate), inflation, and the application of ESA's industrial policy. These risks affect both costs and the cash-flow profile.

To mitigate these risks, the CSA regularly reviews its project portfolio, activity plans, timelines, and financial management strategies in order to adapt to changes made to the space programs of its key partners (National Aeronautics and Space Administration (NASA), ESA and other space agencies). In addition, rigorous project-management practices are in place, along with measures to mitigate cybersecurity risk. These initiatives enable the CSA to monitor and report on the progress of its commitments, assess the effectiveness of its work, and align its resources with priorities.

Additionally, to strengthen the measures already in place, the CSA relies on a structured risk-management framework, including interdisciplinary consultations during cost estimation, rigorous

monitoring through monthly dashboards, a formal risk register, and a stringent financial attestation process. These mechanisms enable early detection of variances, rapid adaptation to unforeseen events, and improved financial predictability despite the challenges related to inflation, the scarcity of specialized suppliers, the immaturity of certain technologies, and adjustments imposed by international partners.

4. Significant Changes in Relation to Operations, Personnel and Programs

In July 2026, Lisa Campbell's term as President of the Canadian Space Agency came to an end. To ensure continuity in the Agency's operations and governance, Jean-Claude Piedboeuf was appointed Acting President on July 16, 2026, pending the appointment of a new President. Following this appointment, Guennadi Kroupnik was named Acting Senior Vice-President, Space Programs.

Approval by Senior Officials

Approved by,

Jean-Claude Piedboeuf Date	Josée Saint-Marseille Date
Acting President	Acting Vice President, Corporate Strategy and
Longueuil, Quebec	Innovation and Chief Financial Officer
	Longueuil, Quebec

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Annex 1

CANADIAN SPACE AGENCY

Quarterly Financial Report

For the quarter ended September 30, 2026

Statement of Authorities (unaudited)

(in thousands of dollars)

	Fiscal Year 2026-2027			Fiscal Year 2025-2026		
	Total available for use for the year ending March 31, 2027 (2)	Used during the quarter ended September 30, 2026	Year to date used at quarter-end	Total available for use for the year ending March 31, 2026 (2)	Used during the quarter ended September 30, 2025	Year to date used at quarter-end
	$	$	$	$	$	$
Vote 1: Operating expenditures	314,272	67,561	109,633	293,711	62,600	96,519
Vote 5: Capital expenditures	580,325	106,645	131,596	500,420	55,779	73,831
Vote 10: Grants and contributions	60,981	3,954	14,385	67,018	4,026	17,014
Contributions to employee benefit plans	19,715	4,928	9,857	17,358	4,339	8,679
Spending of proceeds from the disposal of surplus Crown assets	93	-	-	56	-	-
Total budgetary authorities	**975,386**	**183,088**	**265,471**	**878,563**	**126,744**	**196,043**

(2) Includes only authorities available for use and granted by Parliament at quarter-end.

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Annex 2

CANADIAN SPACE AGENCY
Quarterly Financial Report
For the quarter ended September 30, 2026
Departmental budgetary expenditures by Standard Object
(unaudited)
(in thousands of dollars)

	Fiscal Year 2026-2027			Fiscal Year 2025-2026		
	Total available for use for the year ending March 31, 2027 (2)	Used during the quarter ended September 30, 2026	Year to date used at quarter-end	Total available for use for the year ending March 31, 2026 (2)	Used during the quarter ended September 30, 2025	Year to date used at quarter-end
Expenditures:	**$**	**$**	**$**	**$**	**$**	**$**
Personnel	144,235	39,184	70,558	139,289	38,254	65,907
Transportation and communications	8,304	1,380	2,474	8,311	1,242	2,017
Information	642	283	527	1,242	194	261
Professional and special services	559,666	107,935	144,517	645,813	76,433	102,521
Rentals	7,802	1,645	2,264	3,870	1,390	2,304
Repair and maintenance	3,870	799	1,567	4,914	508	652
Utilities, materials and supplies	1,257	337	690	1,659	437	774
Acquisition of land, buildings and works	-	12	12	177	24	24
Acquisition of machinery and equipment	185,849	25,340	26,258	3,593	2,107	2,423
Transfer payments	60,981	3,955	14,385	67,018	4,026	17,014
Other subsidies and payments	2,780	2,218	2,219	2,677	2,129	2,146
Total budgetary expenditures	**975,386**	**183,088**	**265,471**	**878,563**	**126,744**	**196,043**

(2) Includes only authorities available for use and granted by Parliament at quarter-end.