



INVEST ONTARIO ANNUAL REPORT

2023-2024

July 29, 2024

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MESSAGE FROM BOARD CHAIR AND CEO

The 2023-24 Fiscal Year marked a pivotal moment in Invest Ontario's evolution, characterized by substantial growth, expansion of services, and a transition from establishment to steady-state operations. We extend our gratitude to Elyse Allan, our founding Board Chair and Trevor Dauphinee, founding CEO for their leadership and dedication in establishing our agency. As we move forward, we are inspired by their legacy of commitment and excellence.

This was a remarkable year for investment attraction. Despite global economic challenges, FY2023-24 saw us secure \$2.9 billion in strategic investments. These investments will result in 3,703 new jobs and \$384 million in tax revenue for the province. For every dollar of financial support offered by Invest Ontario, we attracted \$23 in private investment.

Such performance underscored the value of our offerings to investors and their confidence in the province. To further strengthen our capabilities and enhance the investor experience, we introduced new site evaluation and selection services. We expanded our marketing efforts to introduce innovative ways for investors to connect with us. We launched the Investment Advisory Council, working together with CEOs from leading agencies to address barriers to investment and increase Ontario's ability to absorb new investments. We continued to invest in our team and infrastructure, bringing in top talent and adopting new technologies to build a sustainable and high-performing organization.

These efforts and our commitment to excellence have been met with positive feedback, as reflected in an 88% investor satisfaction rate and a 96% partner satisfaction score.

Integrity, transparency, and accountability remain at the core of our operations. In this Annual Report, we are pleased to introduce a new Fund Performance Report that provides a comprehensive analysis of our use of funds, the returns generated from our investments, and their impact on the province's economy.

We would like to express our appreciation to Minister Vic Fedeli, the Invest Ontario Board of Directors, the Ministry of Economic Development, Job Creation and Trade staff, and all our partners for their support throughout this exceptional journey. We also extend our heartfelt gratitude to our team at Invest Ontario. It is your dedicated efforts that have made every single achievement showcased in this report a reality.

Looking forward, we remain focused on delivering tangible value and improved service to investors, while fostering collaboration with our partners and innovation across the Agency. We will continue to pursue impactful investments that create meaningful jobs, generate returns to the province, and build a more prosperous economy for Ontarians.

Andrew MacLeod
Board Chair

Michael Fedchyshyn
Interim CEO

ABOUT INVEST ONTARIO

Dedicated to Securing Private Sector Investment

Invest Ontario is a board-led provincial agency dedicated to securing private sector investments that create jobs, generate returns to the province and support the sustainable growth and competitiveness of Ontario's life sciences, advanced manufacturing (including automotive), and technology sectors.

We are committed to providing a premium investor experience through a single customer interface. To support growing and expanding businesses, we provide expertise and tailored investor support services including site selection, market intelligence, talent support, advisory assistance, and concierge services.

Within our three sectors of focus, we prioritize:

- Substantial anchor investments that expand supply chains, create downstream jobs, and attract new investments.
- Strategic investments that unlock value chain opportunities and build supply chain resiliency particularly for targeted sub-sectors and clusters.

We rely upon a sophisticated evaluation process to identify investments in high-value projects, inform assessments and project selections that:

- **Produce well-paying jobs:** We actively sought investment opportunities that have the potential to create high-quality, well-paying jobs. By attracting businesses that prioritize job creation, we aim to enhance employment opportunities and contribute to the overall prosperity of Ontario's workforce.
- **Increase business productivity:** We targeted investments that can drive business productivity improvements. By facilitating the adoption of innovative technologies, fostering collaboration, and supporting process optimization, we strive to empower businesses to become more efficient and competitive.
- **Spread growth across the province:** Our investment attraction plans are carefully crafted to ensure growth is not limited to specific regions. By identifying opportunities that have the potential to drive development across different areas of the province, we aim to promote balanced economic growth and create opportunities for diverse communities.

- **Bring new customers to local businesses:** We actively seek investments that have the potential to attract new customers to local businesses. By fostering business ecosystems and clustering, we aim to help local enterprises expand their customer base and drive revenue growth.
- **Generating tax revenue:** By attracting investments that contribute to overall economic growth, we aim to increase tax revenues that can be utilized for public services and infrastructure development.

By strategically selecting and nurturing investment opportunities, we play a pivotal role in fostering sustainable growth, driving innovation, and maximizing the economic potential of Ontario.

Customized Business Supports

Invest Ontario provides investors with both financial and non-financial supports customized to specific investor needs. Non-financial supports include site selection services, market intelligence, workforce development, connections to local service providers and partners, etc.

As part of the 2021 Budget, the provincial government committed \$400 million over four years to create the Invest Ontario Fund (the “Fund”) to support investments which:

- Provide sustainable positive economic, sectoral, and regional impacts.
- Generate high and quantifiable return for government investment.

In the 2023 Ontario Economic Outlook and Fiscal Review, the government committed an additional \$100 million to the Fund, followed by another \$100 million in the 2024 provincial Budget.

The Fund enables customized financial supports to offset potential cost disadvantages, obtain commitments and secure investments that build regional and sectoral competitiveness. Our Board of Directors is responsible for assessing investment opportunities and making recommendations for funding from the Fund to the Minister. In the past year, our Board assessed and recommended 32 investment opportunities to the Minister for funding. During the timeframe covered by this report, the Invest Ontario Fund was held and administered by the Ministry of Economic Development, Job Creation and Trade.

2023-2024 STRATEGIC ACHIEVEMENTS

Securing Strategic Investments:

\$2.9 B

INVESTMENTS

3,703

NEW JOBS

9,978

RETAINED JOBS

\$384M

TAX REVENUE
GENERATED

902

NEW LEADS
GENERATED

32

LOCATIONS
ACROSS THE
PROVINCE

1:23

FOR EVERY \$1 FROM
INVEST ONTARIO
FUND \$23 LEVERAGED

Leveraged Investment Attraction Plans:

Invest Ontario has developed investment attraction plans tailored to the sectors in which we operate. These plans identify priority sub-sectors and clusters that offer the greatest potential for growth, enabling us to gain an understanding of each target sector and identify key investment opportunities.

The Agency's investment attraction plans are informed by market trends, economic indicators, Ontario's competitive advantages, and stakeholder feedback. In the past year, we utilized our investment attraction plans to prioritize investment opportunities and concentrate our efforts.

INVESTMENT ATTRACTION PRIORITIES

ADVANCED MANUFACTURING

Advanced Materials and Chemicals

- High nickel content steel for new forging facilities, infrastructure, and the production of advanced alloys
- Modular buildings and building products, manufactured building components, and new high efficiency building materials
- Advanced recycling of plastics/ chemicals and decarbonization
- Biofuels and bio-chemicals for aviation and industrial use

Automotive and Aerospace

- High-value components for electric vehicles (EV) and automotive supply chain
- Niche manufacturers of electric buses, electric motorcycles, trucks, specialty service vehicles, construction, agriculture, and mining vehicles

- Aerospace and defense component and (OEM) (original equipment manufacturer) manufacturing

LIFE SCIENCES

Biopharma and Vaccines

- Biotech research and development initiatives
- Manufacturing of vaccines and biologics

Digital Health and Analytics

- Home-based diagnostics, on-demand care, diagnostic imaging, patient monitoring, virtual reality (VR)-based telehealth, and artificial intelligence (AI)-based research and development (R&D)
- AI technologies in drug discovery and analytics to improve clinical trial management

Contract Development Manufacturing Organization (CDMO) and Generic Manufacturers

- Facilities that can support the production of medicines for drug development and clinical trials

TECHNOLOGY

Computer & Electronic Product Manufacturing:

- Semiconductors & electronic product manufacturing
- Niche electronics for the auto industry
- Electronic products for construction / manufacturing
- Robotic and automation systems, sensors and devices for smart buildings

Software & IT Services

- Quantum, fintech, proptech, cyber security, gaming, AI, and e-commerce
- R&D, engineering, and design functions

Clean Technology

- Grid storage batteries and new technologies in vehicle to grid storage
- Novel recycling/circular technologies for EV batteries, solar panels, metals & chemicals
- Small Modular Reactor (SMR) production and supply chain including software, monitoring, and control systems

Rigorous and Disciplined Analysis:

Invest Ontario utilizes analysis and modeling techniques as part of an investment evaluation framework to assess investment opportunities based on their potential economic impact.

Through this approach, we focused our supports on investments that have the highest potential to generate economic returns and drive long-term growth.

SUCCESS STORY: MITSUI HIGH-TEC (CANADA)

Continued expansion since 2015 supercharges Ontario’s EV supply chain

Invest Ontario secured a \$102.3 million investment by Mitsui High-tec (Canada), Inc. for the construction of a new facility spanning ~103,500 square feet in Brantford, Ontario to manufacture motor core components for electric vehicles (EVs).

As the sole producer of motor cores in Ontario, Mitsui High-tec has been a crucial player in the province’s auto/EV supply chain. While helping the company meet the growing OEM demand in North America, this expansion will strengthen Ontario’s manufacturing capacity of key EV components and further the province’s leadership in auto electrification.

This project also underscored the company’s continued growth in Ontario, following its initial investment in Brantford in 2015 and expansion in early 2023 – a testament to our lasting relationships with businesses, the province as an enabler for their success, and anchor investments as an important driver of sustained economic development.

Supported by a grant of \$3.1 million from the Invest Ontario Fund, the investment is expected to create 104 well-paying jobs in Brantford by 2025 (doubling Mitsui High-tec’s local Ontario workforce) and result in increased business opportunities for the company’s suppliers across the province.

Mitsui High-tec Investment:	Invest Ontario Fund Investment:	Jobs created:
\$102.3M	\$3.1M	104

“Ontario has been a great place for Mitsui High-tec (Canada), Inc. to settle and build. With the growing focus on the hybrid and EV industry in Canada, and our opportunity to strengthen the supply chain, Ontario is a fantastic location to be close to borders for export, with space and opportunity to continue growing.”

– Yasushi Harada, President of Mitsui High-tec (Canada), Inc.

SUCCESS STORY: DANA CANADA CORPORATION

Scaling advanced EV technology production to steer towards an electric future

Invest Ontario secured an investment of approximately \$60 million by Dana Canada Corporation to expand its manufacturing capacity of advanced thermal management systems for EVs in Cambridge and Oakville, Ontario.

Advanced thermal management systems are critical to cooling batteries and sensitive electronics in modern EVs. This expansion, while creating 105 jobs in the auto manufacturing sector, marked a significant boost to the regional supply chain, as 70% of the suppliers to the facility are Ontario-based.

Dana Canada has operated for over 90 years and is part of a growing number of companies who have found success in the North American market through Ontario. This investment is yet another example that showcases the successful evolution of Ontario's auto industry as the world transitions to an electric future.

The Invest Ontario Fund is supporting the investment with a \$2.5 million grant, furthering the Agency's commitment to supporting high-impact investments that enhance Ontario's economic resilience and its role as a leader in auto manufacturing.

Dana Canada Investment:	Invest Ontario Fund Investment:	Jobs created:
~\$60M	\$2.5M	105

"Dana is grateful for the support we have received from Invest Ontario as we continue to grow our operations here to manufacture advanced technologies. Dana's thermal-management expertise has been led from our Technology Centre in Ontario since the 1950s, so it is exciting to witness the continued growth of this important technology in the province."

– Antonio Valencia, President, Dana Power Technologies and Global Electrification

SUCCESS STORY: KAINOS

Belfast-based IT provider “triples down” on Ontario to digitally transform North America

Invest Ontario supported Kainos in a substantial expansion of its operations in Toronto, Ontario to further strengthen the company’s international presence, as digital transformation remained an imperative for businesses worldwide.

With the opening of a new office space, the Belfast-based digital services provider aimed to triple its headcount in Toronto from 100 to more than 300 employees over the next three years – a strategic move to solidify the Toronto office's role as the company’s regional hub in North America.

Invest Ontario had served as Kainos’ partner since the early planning stage, delivering an exceptional investor experience with a range of non-financial support which expedited the company’s journey and built a solid foundation for their new operations.

These included advisory services and market intelligence that helped develop the expansion plan, as well as connections to key services offered by different levels of government. To help Kainos fill high-calibre tech roles including data architects, cloud engineers, and software engineers, we facilitated access to Ontario’s deep talent pool through collaboration with academic institutions such as the University of Toronto.

With the expansion set in motion, Kainos will continue to bolster its footprint in North America in the coming years, underpinned by a growing clientele of local businesses and global organizations across the region thanks to the unparalleled market access Ontario offers.

Invest Ontario Fund Investment:

Jobs created:

Non-financial supports

200

“We’re delighted to open our new Toronto office and offer our team a space to collaborate and build connections. Over the next three years we plan to expand our team from 100 to more than 300 talented Toronto area professionals as we serve a growing number of local businesses as well as national and global organizations.”

– Padraig Callaghan, Executive Vice President Americas, Kainos

Delivering an Exceptional Investor Experience:

88%

INVESTOR
SATISFACTION

38

SITE SELECTION
PROJECTS
SUPPORTED

16

MULTI-DAY SITE VISITS
WITH CLIENTS

350

SITES FROM 50 DIFFERENT
MUNICIPALITIES ADDED
TO DATABASE

344,879

PAGE VIEWS OF
INVESTONTARIO.CA

At Invest Ontario, we are fully committed to delivering an exceptional investor experience. We understand that our investors' satisfaction and success are paramount, and we have undertaken several initiatives to ensure their needs are met effectively and efficiently.

One Window for Investor Services

- This year the Agency built capacity and established a one-window to investment services from across government, reducing investor effort and ensuring a seamless and timely investor experience.

Introduction of Site Selection Services

- With support from the Ministry of Economic Development, Job Creation and Trade to the Agency established a site selection function and took responsibility for this service. All client focused site selection services are now executed by Invest Ontario's Site Selection team.

Expanded Inventory and Enhanced Information about available sites.

- The Agency invested in the development and implementation of a Geographic Information System (GIS) to access proprietary data and tools that support transaction analysis and enable the agency to offer more sophisticated site selection services to clients.
- Thus far, we have implemented several new information layers, including electricity and natural gas lines, provincially significant wetlands, configuration of mineral claims, location of First Nations Treaties & Purchases, and mapping upper/lower tier

municipal boundaries which all assist in quickly determining a potential site's viability for investment.

Investor Engagement and Information Supports made available by through Diverse Channels:

- Invest Ontario meets investors where they are and has supported targeted international company calls in South Korea, Germany, Switzerland, Texas, California and Detroit.
- We offer multiple ways for investors to connect and receive the supports they require to make informed decision. This includes in-person meetings, direct travel connections, and active participation in industry conferences to foster relationships. We also leveraged our website and social media platforms to provide timely updates, share valuable insights, and engage in meaningful dialogue with investors.

WHAT'S NEXT?

- Invest Ontario will provide controlled access to the GIS Sites and Data Platform to its municipal and regional partners.
- The Agency will continue to grow and expand its Site Selection service offering, allowing faster and more detailed review of potential sites.

Establish Strategic Partnerships

96%

PARTNER
SATISFACTION

250+

MUNICIPALITIES
ENGAGED

100+

PARTICIPANTS IN
TEAM ONTARIO
TOWN HALL
MEETING

At Invest Ontario, we recognize the significance of collaboration and partnerships in attracting investments within the province. We engage in vital conversations with government partners at all levels, allowing us to explore optimal collaboration strategies. By aligning our efforts, we enhance our collective impact and foster mutual success.

Implementation of the Investment Advisory Council and Topic-Specific Investment Councils

- This year the Agency established and launched the Investment Advisory Council (IAC). The IAC is a high-profile executive level committee chaired by Invest Ontario's CEO with the aim of increasing and improving Ontario's capacity to encourage, accept, and facilitate new investments, both domestic and foreign in Ontario's key sectors.
- Members of the IAC include industry leaders, government representatives, and experts from organizations across Ontario that play a key role in the investment ecosystem.
- By tapping into the expertise and knowledge of our partners, we strive to enhance our offerings, discover fresh opportunities, coordinate outreach efforts, and drive investment growth—all while providing greater value to our investors.
- Our commitment to leveraging the expertise, resources, and support of our partners allows us to provide our investors with a superior investment experience and increase the readiness of Ontario to accept and support inbound investment.

Sponsorship Agreement with Economic Developers Council of Ontario

- As part of our Team Ontario building efforts, Invest Ontario executed a high-profile and strategic sponsorship engagement with the Economic Developers Council of Ontario (EDCO), acting as a presenting sponsor at the 2024 EDCO Annual Conference.
- This participation provided the opportunity to continue fostering meaningful relationships and to network with the province's economic developers and key stakeholders, enabling us to strengthen relationships within the economic development community and with a major player such as EDCO.

Partnership with Innovation, Science and Economic Development Canada

- In November 2023, a Memorandum of Understanding (MoU) was signed between Invest Ontario and Innovation, Science and Economic Development Canada (ISED) to facilitate the sharing of information and coordination of due diligence for the purpose of making investments.
- The objective of this MOU is to provide a general framework for consultation, cooperation, exchange of information, identifying and assessing investment and funding opportunities and streamlining investment due diligence and negotiation between ISED and Invest Ontario.

Team Ontario Town Hall Meetings

- The first 'Team Ontario' townhall meeting was held in December 2023 with over 100 participants from municipalities, regions, and economic development organizations across the province. These townhalls are envisioned to provide an opportunity for Invest Ontario to share updates on its activities with partners and gather inputs on work underway.

Granting Partners Access to our Geographic Information System

- Invest Ontario provided controlled access to its Geographic Information System (GIS) to key economic development partners. This allows municipalities and key partners to submit sites directly to the Agency's GIS for vetting and review.

Engagement with Site Selectors

- The Agency was a silver sponsor at the Site Selectors Guild annual general meeting held in Nashville, Tennessee. The Site Selectors Guild is the only association of the world's foremost professional site selection consultants. Participation in this event strengthened our relationship with Guild members, who offer location strategy and services to major corporations worldwide, guiding investors toward jurisdictions with suitable sites.

Coordination with Province's International Trade and Investment Offices (TIOs)

- Enhanced communication and transparency with colleagues and partners in Ontario's Trade and Investment Offices (TIOs) located in strategic markets around the world by providing monthly reports on Investment Ontario projects underway in addition to formalized meetings to discuss client leads in TIO markets.

WHAT'S NEXT?

- Invest Ontario will continue to promote and support regional and local economic development ecosystems and investment enablers within them while strengthening engagement with existing partners.
- The Agency will coordinate efforts to maximize alignment and impact with other government agencies such as Venture Ontario, Intellectual Property Ontario and Supply Ontario.
- We will also work with partners to improve availability and access to talent related information and services including the development of talent pipeline maps.

Building a High Performing Organization

The Agency adopted new functions in three significant areas:

Marketing

**Site
Selection**

Triage

During the reporting period the Invest Ontario witnessed rapid growth and transition, with a significant increase in the Agency's size and integration of new functions from the Ministry of Economic Development, Job Creation and Trade. 81% of the consequent open positions were filled with an average time to hire of 45 days per position.

There were significant additions to the management team with the recruitment of a Finance Director, Executive Director for Technology, and Director for Investment Services. Additionally, the team size increased from 32 employees to 56 employees during the reporting period.

Building Marketing and Communications Infrastructure

- The successful adoption of the of the marketing function for investment attraction involved the following steps:
 - Transfer of ownership of Invest Ontario's digital and social media platforms, including website.
 - Establishing the Agency's leadership role in investment and priority sector-related sponsorships and events.
 - Bringing in new hires to round out core capabilities including digital marketing, branding and design, enhanced corporate communications, and analytics and insights.
 - Development of best practices and processes for various areas of the function (e.g. deal announcements, website, social media) to ensure sound governance and a systematic approach to execution.
 - Strengthened media monitoring and analytics capabilities with the adoption of technology.

- The transition resulted in a high-performing function within Invest Ontario, capable of driving integrated marketing and communications strategies with streamlined resources and processes, led by an expanded team of specialists.

Establishing the Invest Ontario Brand

- The Agency created Invest Ontario's visual identity and brand guidelines, while maintaining cohesion with the province's international brand.
- We inherited ownership of the Invest Ontario social media channels with a new content strategy, resulting in record-high engagement rates.
- We also created introductions to key industry trade and site selection media to increase reach and awareness among target businesses and site selectors.

Organizational Infrastructure, Internal Controls, and Policies

- The Agency continued to implement organizational infrastructure, controls, and policies to ensure smooth and effective operations.
- Processes around talent acquisition, onboarding, payroll, and talent management were standardized to further improve the experience of candidates and employees.

WHAT'S NEXT?

Digital Strategy

- Next year, Invest Ontario will commence the implementation of new payroll, HR and Finance systems to enhance employee experience and streamline operations.

Employee Engagement

- We will focus our attention on implementing a robust listening strategy to help inform our employee engagement interventions. Our agency is committed to the grounding principles of employee satisfaction, fostering a respectful workplace, and a culture of excellence and trust.

YEAR END PERFORMANCE AGAINST TARGETS

Investment Performance

Indicator	2023-2024 Target	2023-2024 Actual	2024-2025 Target
Value of Investments Secured ¹	\$3.1B	\$2.9B	\$3.6B
Jobs Created	3,200	3,703	3,500
Jobs Retained	N/A	9,978	Actuals to be reported ²
Median Salary of Jobs Created	Actuals to be reported per sector		
Provincial Tax Revenues Generated ³	\$360M	\$384M ⁴	\$420M
Overall Investment Leveraged (dollars invested per dollar of Invest Ontario support)	10:1	23:1 ⁵	12:1
Regional Distribution of investments	Actuals to be reported per economic region		

NOTES:

1. Total for all investments secured. Note that Invest Ontario's aggregate reported job creation and investment figures include closed transactions that have not yet been made public due to a variety of factors including scheduling, agreements with other funders and/or confidentiality obligations. In addition, the timing of transaction close and subsequent public announcements does not necessarily occur in the same reporting year; therefore, Invest Ontario does not expect that reported agency performance against targets and public announcement of Invest Ontario projects will reconcile in any given reporting period.
2. Jobs retained and median salary, to be reported as and when Invest Ontario-funded projects are executed.
3. Provincial Tax Revenues Generated represents an estimate of the forecasted cumulative impact as a result of the job and investment commitments agreed upon in funding term sheets.
4. Preliminary figure.
5. Leverage includes Invest Ontario funded transactions only.

Operational Effectiveness

Indicator	2023-2024 Target	2023-2024 Actual	2024-2025 Target
Partner Satisfaction	75%	96%	80%
Investor Satisfaction	80%	88%	85%

INVEST ONTARIO FUND PERFORMANCE

QUICK FACTS

These numbers represent a subset of all investments secured. The Fund Performance table includes transactions funded through the Invest Ontario Fund only. Additional investments were secured through other government funding and/or non-financial supports and are not represented in this table.

Total fiscal value of Fund	\$600 million
Funds committed as of June 30, 2024	\$459 million
Average loan value \$ (face value)	\$32 million
Average grant value \$	\$11 million
Total jobs created (all time)	4,012
Total investment (all time)	\$4.1 billion
Date fund started	Mar 24, 2021
Intake period	Continuous
Average project size	267 jobs, \$275m investment
Instruments	Grants, loans, hybrids, convertibles
Target sectors	Advanced mfg., life sciences, tech.
\$ Spent per job	\$38,097 per job

FUND OBJECTIVES

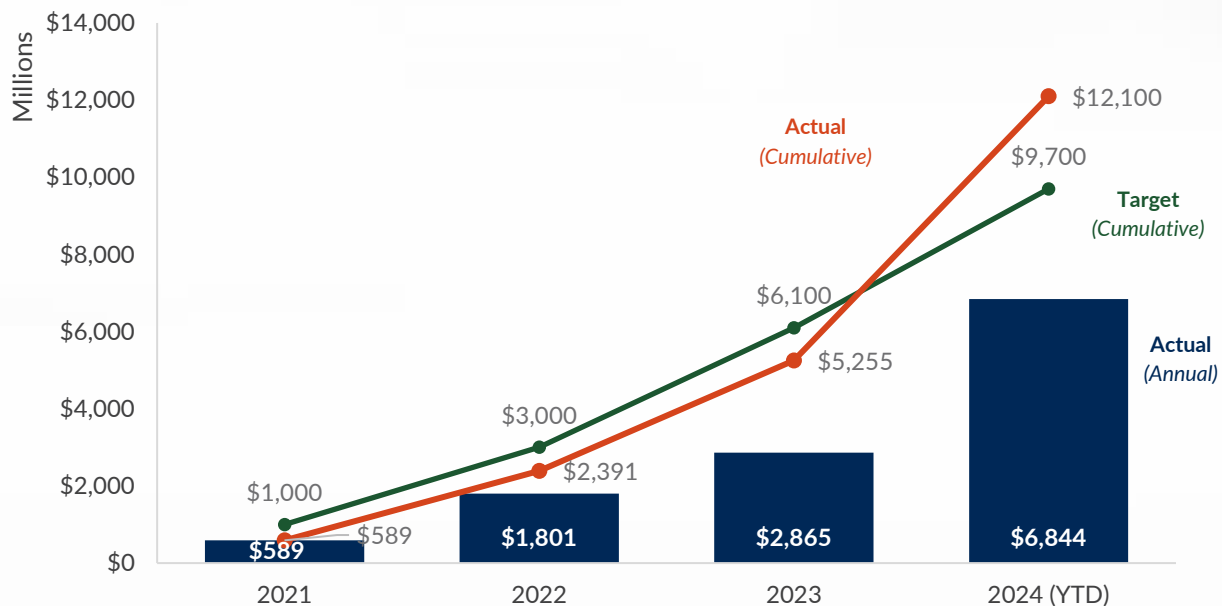
The objective of the Fund is to improve regional and sectoral competitiveness and attract new investment and jobs to the province. The Fund invests primarily in high-impact and high-growth projects offering deep supply chain benefits, productivity and innovation enhancements, as well as high-wage jobs and training opportunities. The Fund supports

both Foreign Direct Investment (FDI) and Business Retention and Expansion (BR&E) investment attraction efforts.

AGENCY PERFORMANCE

Increase in Investments Reflects Agency Ramp-Up

Steady increase in investments won by the Agency (through the Invest Ontario Fund and other funding sources, and nonfunded investments) reflects the ramp-up of capability and capacity within the Agency.



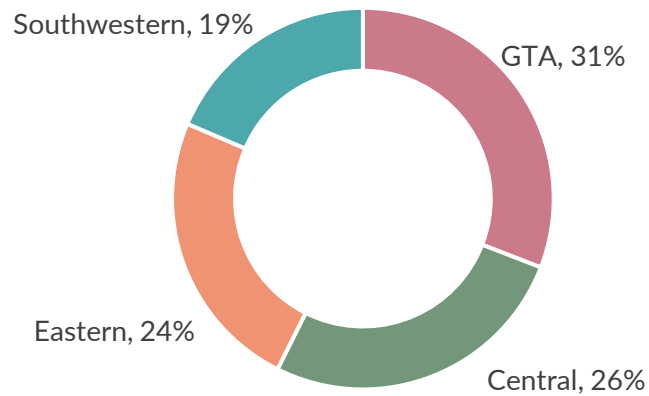
Leverages Private Capital to Create Jobs

In a highly competitive market to attract global mandates, Invest Ontario has been successful in attracting \$23 of private investment for every \$1 drawn from the Fund.

FUND PORTFOLIO MIX

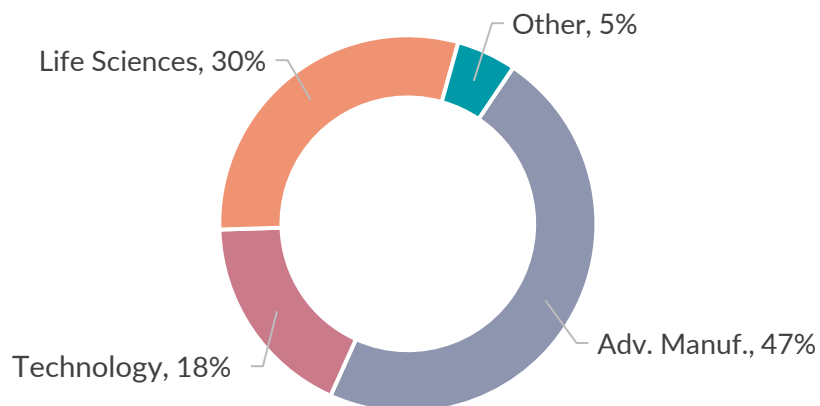
Invest Ontario is focused on attracting investment across three priority sectors – Advanced Manufacturing, Life Sciences, and Technology – and demonstrating regional inclusivity. In addition, Invest Ontario should ensure diversification across clients, sectors, and risk. In alignment with guidance, Invest Ontario has a diversified portfolio of qualified leads and secured investments across sectors with no individual client utilizing more than 9% of the Fund. Regional diversification across southern Ontario is strong but Invest Ontario must continue to aggressively pursue opportunities for investment in the North.

Good Regional Diversification



*Central (e.g. KW, Hamilton, Niagara);
Southwestern (e.g. Windsor, Sarnia, London)*

Advanced Manufacturing Highly Active

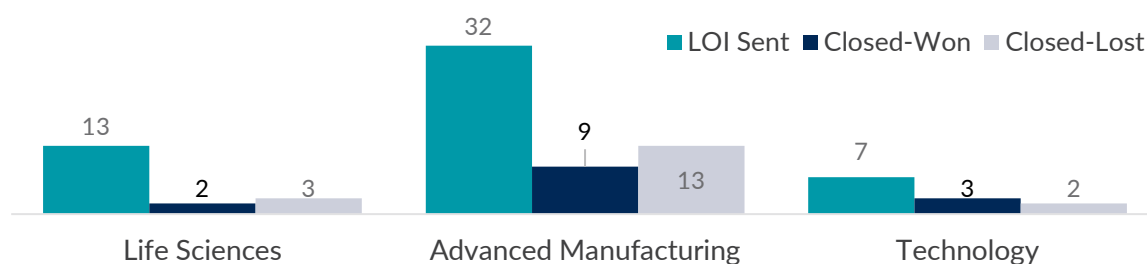


EFFECTIVENESS IN USE OF FUNDS

Conversion Rate Reflects Restraint in “Overpaying” in the Face of Competition

Higher utilization of the Fund to support Advanced Manufacturing projects is an indication of the competition among jurisdictions in that sector. The balanced win-loss rate suggests that Invest Ontario is supporting investments only at a level where there is a strong economic case.

Number of Transactions Won/Lost VS. Number of Letters of Intent Sent Since Inception

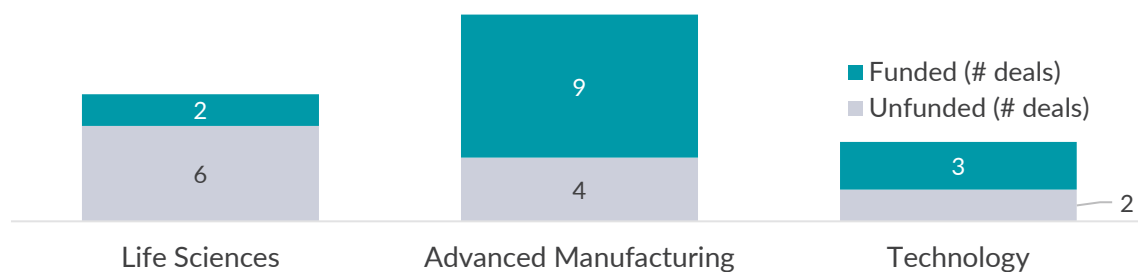


**Letters of Intent (LOI) Sent denotes investments still currently under negotiations, and therefore will not equal wins (i.e. LOI's sent that led to a win) + losses (i.e. LOI's sent that led to a loss). Includes all years since Invest Ontario's inception.*

Securing Unfunded Investments Through Provision of Services

“Unfunded” investments include projects that Invest Ontario has secured without financial support. In addition to leveraging Ontario’s competitive advantage, Invest Ontario secures unfunded projects through the provision of tailored investor services such as site selection, market intelligence, and other support programs. Unfunded investments take longer to secure and are expected to grow in future years.

Number of Funded vs. Unfunded Transactions that were Won

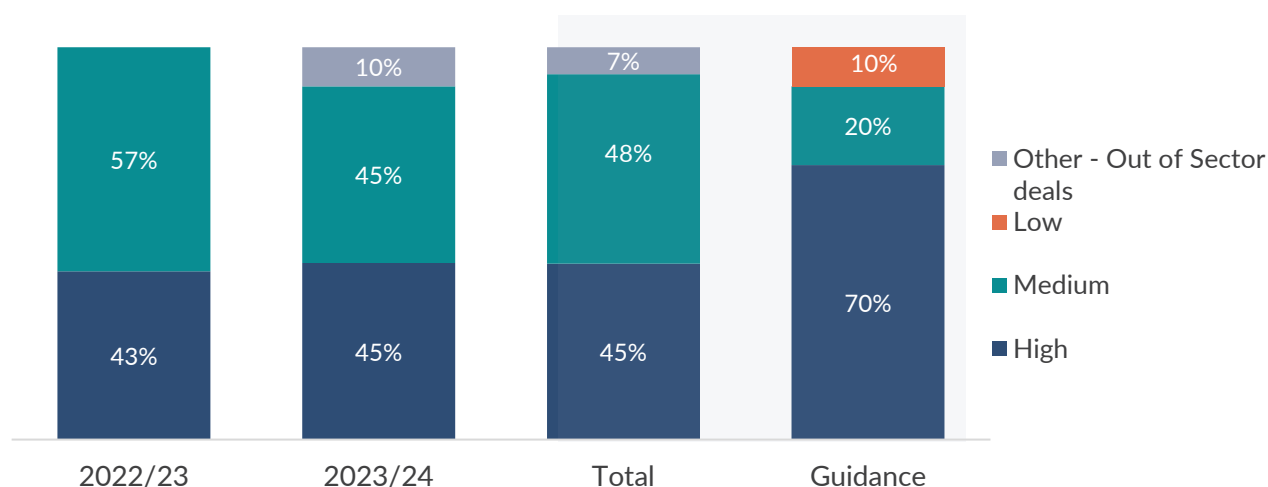


**Funded includes investments led by Invest Ontario but funded by Treasury Board. Includes all years since Invest Ontario's inception.*

Productive Investments Well Aligned to Sector Strategies

Invest Ontario has maintained a good balance of investments that have either high or medium alignment to its sector-specific Investment Attraction Plans (IAPs) with a growing proportion of high-alignment investments since the inception year of the Agency. Through increasingly careful targeting of business development activities, Invest Ontario will continue to seek out high-alignment investments. The Agency strives to establish itself as a Centre of Excellence for investment attraction, and its platform is now being leveraged for the execution of mandates outside of its priority sectors (“Other” in table below).

Proportion of Transactions vs. Sector Alignment



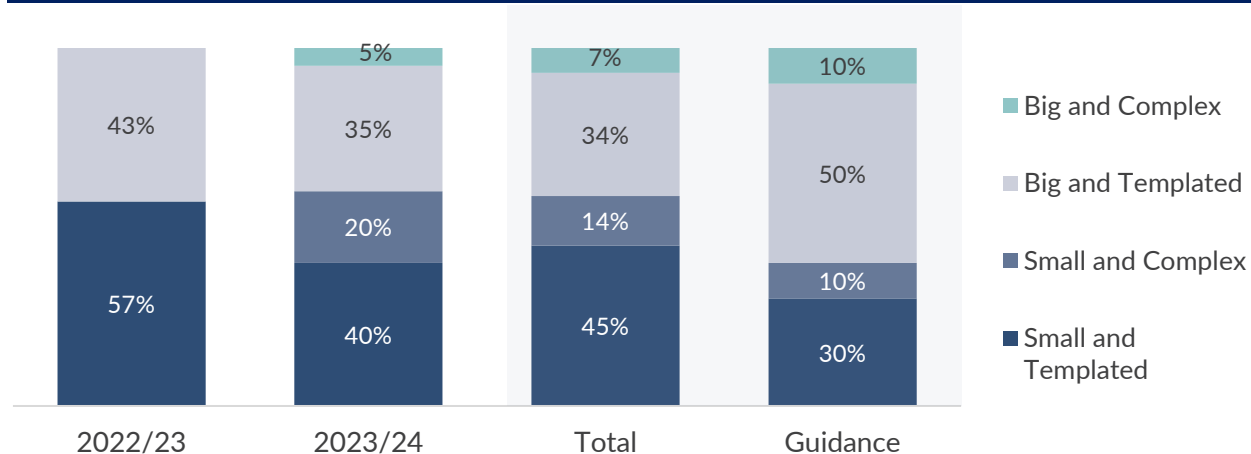
*% denotes proportion of the number of deals/investments.

COMPLEXITY OF INVESTMENTS WITHIN FUND

Deal Complexity and Smaller Investments Add Resourcing Strain to the Agency

Invest Ontario has developed the capacity to assess and structure complex investments tailored to the funding/financing needs of the investor. However, being overweight in complex transactions and smaller deals has resulted in a more resource-intensive workload. An opportunity exists to target larger investments and support more efficient capacity utilization. The Agency's ongoing development of improved documentation templates also aims to decrease the complexity of deals in the future.

Proportion of Transactions vs. Transaction Size and Complexity



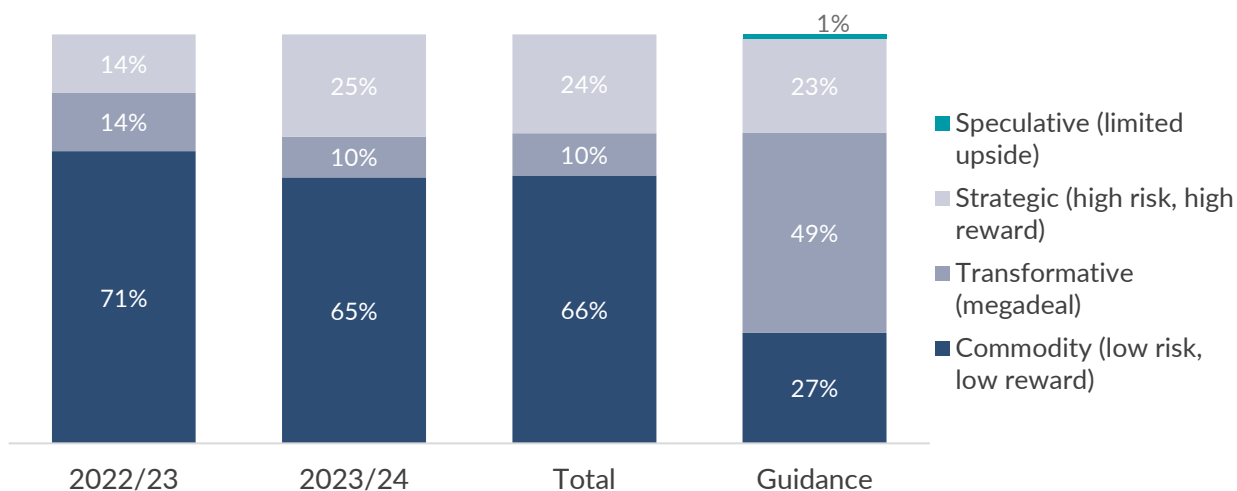
RISK PROFILE

All investments carry risk. Technical, financial, and market risks are evaluated by Invest Ontario through a combination of our Investment Evaluation Framework (IEF) and third-party due diligence. The Agency mitigates identified risks through a combination of thoughtful transaction structuring and security to ensure that the investment and job creation objectives are realized.

Potential For Fund to Take on Higher Risk Projects

Investments in life sciences and technology sectors have necessitated Invest Ontario to target projects with a greater risk-return profile. As the Agency has ramped up its sector teams, the proportion of “strategic” investments has increased. Transformative investments have likewise seen an increase in prominence, in alignment with guidance. Invest Ontario will continue to actively target transformative investments while continuing to service lower risk opportunities.

Transaction Allocation Across Policy Alignment and Risk Quadrants

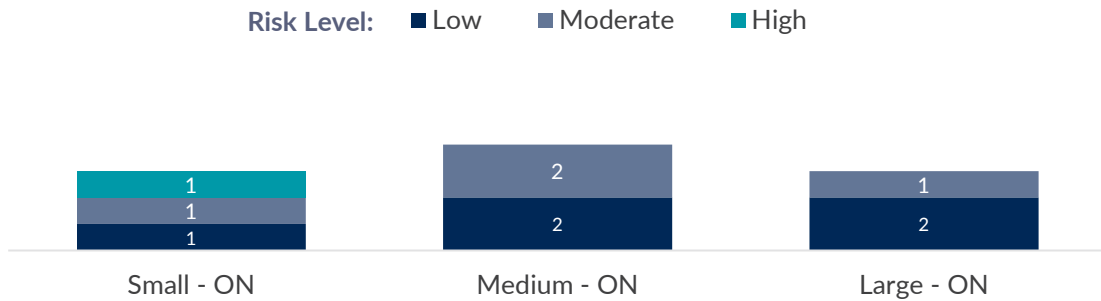


% denotes number of investments against total. May not add to 100% due to rounding.

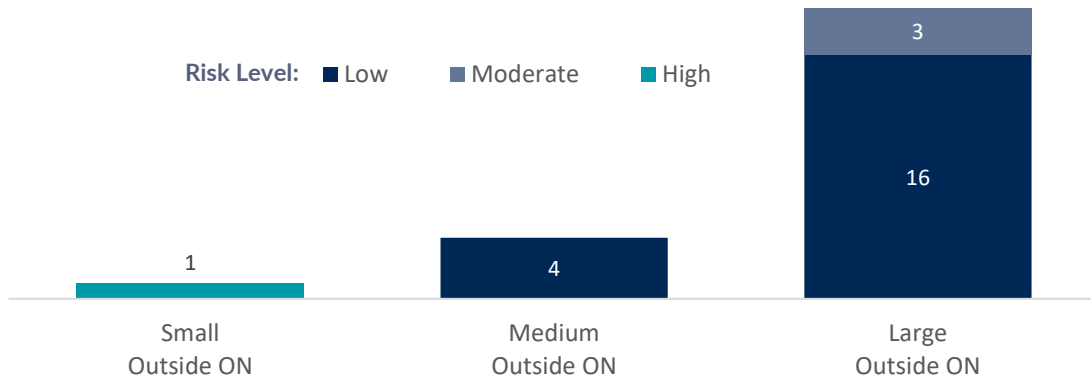
Opportunity to Grow Lower-Risk Mid-Market Players Both Locally and Abroad

Technical risk is an indicator of Invest Ontario’s appetite to manage uncertainty. High-risk investments may include earlier-stage projects in commercialization of strategically important technologies, while low-risk investments may represent retooling of established supply chain anchors. Invest Ontario had a higher propensity to take risk with Ontario companies to help them bridge known capital gaps but took less risk with large international players when competing with other jurisdictions for already commercialized technologies. An opportunity exists for the Agency to establish credibility with mid-market players.

Number of Transactions by Technical Risk Level and Company Size – Ontario Companies



Number of Transactions by Technical Risk Level and Company Size – International Companies



NAVIGATING AN UNCERTAIN WORLD – ADVANTAGE ONTARIO

Despite record highs in the stock market, global economic fragility persists, influenced by uncertainty, technological disruptions, and geopolitical strain. This has led investors to approach expansion funding with caution. Invest Ontario remains dedicated to nurturing business expansion with a vision for long-term prosperity.

Macroeconomic

The inflationary climate and expectations for persistently high interest rates, particularly with US investors, have challenged the ability of investors to raise capital for expansion plans. This climate has created increased demand for Invest Ontario loans. The strengthening US dollar will reinforce the attractive cost of labour in Ontario as a competitive advantage.

Technological Innovation

The rapid pace of technological innovation in generative AI and significant advances in electric vehicles are reshaping legacy industries and sparking new demands for energy. Ontario is a global centre of excellence in AI and automation while also boasting a clean and diversified energy mix. Invest Ontario has been successful in securing projects in the absence of financial incentives due to these competitive advantages.

Geopolitical Tension

The upcoming US election will be closely watched by investors and the ongoing US-China rivalry over critical technologies and resources and the impact of US industrial policies like the IRA and CHIPS Act highlight the complexities of the current geopolitical landscape. Invest Ontario is leveraging Ontario's comparative geopolitical stability as a key competitive advantage for the province in discussions with investors.

A WORD ABOUT ELECTRIC VEHICLES & ECONOMIC DIVERSIFICATION

Ontario has proven to be a major player in attracting global electric vehicle (EV) players, with over \$43 billion in new EV and EV-battery investments and recently overtaking China as the number one location in the world for EV battery supply chain investment. However, EV adoption has slowed as the rapid pace of technological improvement, vehicle cost, and infrastructure limitations keep non-early adopters on the sidelines, imparting near-term headwinds on some elements of the market. Despite this, Invest Ontario views the transition to EVs as inevitable and continues its efforts to attract key supply chain players with the long-term vision of establishing Ontario as the global centre for EV component manufacturing.

While Invest Ontario is continuing to attract investments in the EV and Advanced Manufacturing space, the Agency has an imperative to help the provincial economy diversify. Increased focus on Life Sciences and Technology sector investments is evident in the Agency pipeline and is reflective of both adherence to internal diversification guidance but also the onboarding and maturation of the respective sector teams since

agency inception. Invest Ontario anticipates that the diversified nature of the investment pipeline will manifest as improved diversification in “closed” transactions in the coming year and maintenance of this diversified investment base is critical for the long-term health and prosperity of the Ontario economy.

A LOOK FORWARD

Despite being a relatively new agency, Invest Ontario has demonstrated its capability and capacity to deliver new direct jobs and investments into productive sectors that are geographically diverse and with high economic efficiency. As a young agency, Invest Ontario has a culture of continuous improvement, necessary to provide excellent client service to investors and to adapt to a dynamic business environment. Invest Ontario is continually monitoring its performance against guidance/targets and rebalancing its efforts accordingly.

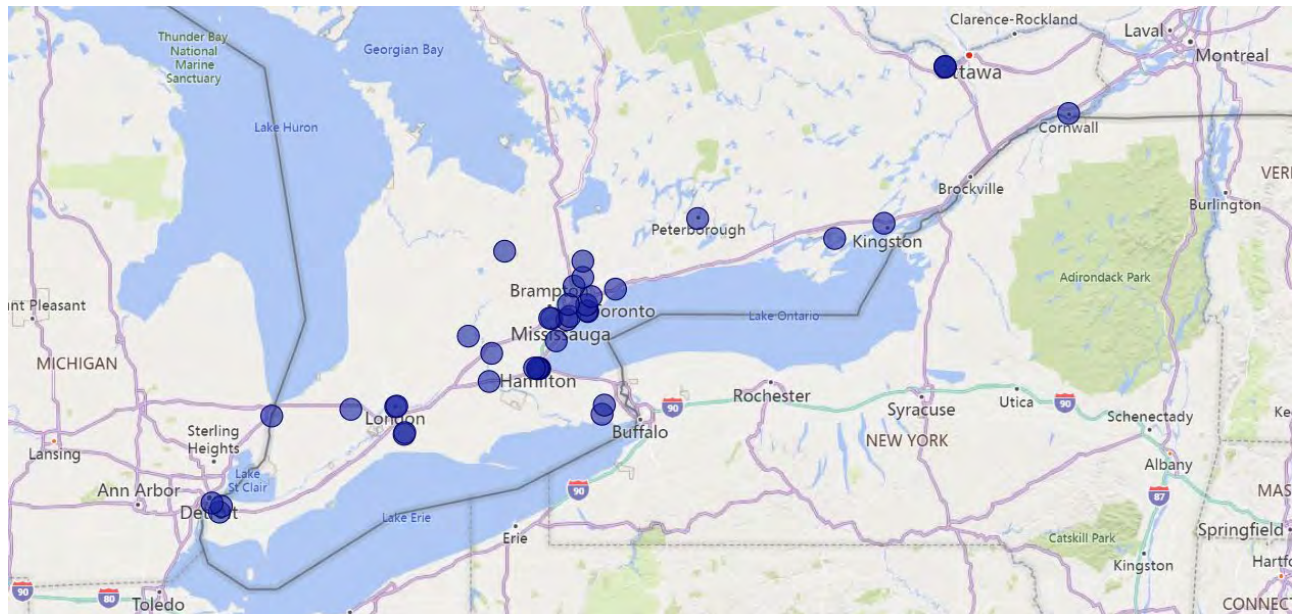
The Spirit of Continuous Improvement

Invest Ontario will continue to invest in strategic projects that create good quality jobs and with a long-term, portfolio-level outlook. The Agency will shift efforts to target larger investments and to close those in Life Sciences and Technology sectors. In those sectors, there is an opportunity for a more “risk-on” approach where earlier stage projects, less established investors, and increased technical risk are common. Continued and enhanced due diligence practices, combined with thoughtful transaction structuring, will assist in mitigating risk to the Fund as the Agency targets these investments.

Getting there Requires Planning

Greater exposure to key stakeholders in life sciences and technology, as well as actively seeking and nurturing strategic partnerships in the life sciences ecosystem will support Invest Ontario’s diversification strategy. Productivity improvement will also be a key feature of project selection, including investments into the workforce, scaling the size and scope of operations, technology adoption, and process automation. Improving productivity takes a “Team Ontario” approach and investments that re-enforce regional supply chains and innovation ecosystem partnerships will increase the competitiveness, resilience and longevity of Ontario champions.

An Investment Approach that has Yielded Projects Across the Province



ANCHORED IN SOUND GOVERNANCE

Invest Ontario's accountability structure flows from its creation on July 8, 2020, by a regulation under the *Development Corporations Act (Ontario)* and it continued April 27, 2021, under the *Invest Ontario Act, 2021*.

Board Composition

Established as an operational agency with a Board of Directors consisting of up to 13 members, the Board is accountable to the Minister of Economic Development, Job Creation and Trade, and through the Minister to the Ontario Legislature.

Board appointments are made by the Lieutenant Governor in Council, upon recommendation by the Minister of Economic Development, Job Creation and Trade, in accordance with *the Agencies and Appointments Directive* and the procedures of the Public Appointments Secretariat of the Government of Ontario. One member is designated as Chair by the Minister and one as Vice-Chair by the Minister on the recommendation of the Chair. A list of Board Members, their terms and remuneration can be found in Appendix D.

To support the Minister in making director recommendations, the Board has developed and assessed itself against a skills matrix identifying core competencies and experiences relevant to the Agency's mandate.

The Invest Ontario Board of Directors has several responsibilities including:

- Overall governance and stewardship of the Agency
- Oversight of Invest Ontario management
- Assessment and recommendation of strategic investment opportunities including support from the Invest Ontario Fund

The Board has enacted two corporate by-laws. By-law One governs the general conduct and affairs of the Agency and includes provisions related to code of conduct, conflicts of interest, duties of members and officers, delegations and conduct of meetings. By-law Two provides for banking and borrowing.

Board Committees

The Board established three committees to facilitate execution of its responsibilities:

- The **Finance, Audit and Risk Committee**: ensuring the integrity of the Agency's financial statements, financial reporting, and the systems of internal control and risk management. The committee also reviews and recommends to the board approval of the Agency's budget, monitors budget performance, and oversees the independent audit.
- The **Governance and Human Resources Committee**: ensures the Agency adheres to sound corporate governance principles and ensures ongoing director education. It also oversees and makes recommendations concerning human resources and compensation matters, including workplace health and safety, talent recruitment and leadership development.
- The **Investment Review Committee**: reviews due diligence and recommendations for financial support for potential investment projects. The committee also oversees the investment review process including project evaluation criteria, processes, and procedures to manage risks and negotiate terms.

Mandate Letter

The Minister issues an annual mandate letter setting out priorities for the Agency. In September 2022, the Minister issued a mandate letter for 2023-2024. The Board has delivered all the priorities set out for 2023-2024, including:

- Continuing to operationalize Invest Ontario
- Implementing and improving access to new and existing services
- Designing and implementing a "Team Ontario" approach
- Building the Agency's reputation and credibility

Memorandum of Understanding

Invest Ontario entered a Memorandum of Understanding with the Minister which sets out the accountability relationship between the Agency and the ministry, and between the Board, Chair, CEO and Minister. The Memorandum was finalized and signed by the Minister and Board Chair on December 13, 2021. The Memorandum is posted on the Agency website.

AGENCY RISK MANAGEMENT

The risks often associated with a start-up undergoing a period of rapid growth were identified early on by the Board, CEO, and the Agency leadership team. Risks that directly impacted the Agency's performance against targets are identified below. Proactive measures were put in place to monitor and mitigate risks and their potential continued impact.

Risk	Mitigation Strategies Employed
Rapid growth in staff and new functions results in reduction in operational cohesion and coordination	- Standardized processes around talent acquisition, onboarding, payroll, and talent management to improve employee experience. - Organized events and training sessions to further team building, trust, camaraderie, and staff engagement. - Implemented agency-wide training to help staff and management embrace and manage change.
Limited access to capital as financial markets retrench leads to investor caution and delayed projects	- Working to improve awareness of and access to available supports. - Working to improve access to financing through the assessment of alternative financing vehicles and relationships with financial intermediaries. - Closely monitor situation to inform and adjust investment attraction strategies and performance targets, if warranted

Risk	Mitigation Strategies Employed
Increased uncertainty due to global conflict and protectionist legislation in competing jurisdictions results in a reduction of investment activity	• Strong messaging through web and digital marketing efforts to demonstrate Ontario's inherent strengths and stability. • Leverage analytical abilities to closely monitor global trends, sectoral impacts and business sentiments to inform and adjust investment attraction strategies and performance targets, if warranted. • Continue to nurture reshoring and longer-term opportunities with a focus on resilient jobs.
Coordination among multiple provincial municipal investment attraction players	• Single provincial investment attraction website and social media accounts branded Invest Ontario. • No 'wrong door' policy for investors with regular formal and informal communications between provincial investment attraction entities. • Dedicated triage lead function within Invest Ontario to ensure appropriate off ramps for investment outside of scope which continues to track progress to ensure integrity of the brand.

The Board and CEO also identified anticipated future risks as the Agency scaled investment attraction activities and the introduction of new services. To more effectively and objectively identify and address vulnerabilities the Agency invested in market databases and conducted external stakeholder and partner consultations and surveys.

FINANCIAL PERFORMANCE

Invest Ontario is funded by the Ministry of Economic Development, Job Creation, and Trade and focused on securing high-value business investments for the Province of Ontario and providing personalized services to support investment opportunities.

This section is intended to provide an overview of the Agency's financial activities for the year ended March 31, 2024, and should be read in conjunction with the financial statements for the year ended March 31, 2024 and related notes in Appendix C. The unqualified independent auditor's report for the same period, can be found in Appendix B.

Operating Results

Invest Ontario's annual Ministry transfer payment allocation for the period was \$13.91 million, an increase from the preceding fiscal year's allocation of \$7.31 million. The reason for the almost two-fold increase from the 2022-23 budget was to address resource requirements and expanded functions within the Agency related to triage, site selection, and marketing.

Revenue

Total revenue for the year was \$10.92 million of which the Agency received Ministry transfer payment funding of \$10.82 million and interest income of \$0.10 million. The Agency generated a surplus of \$0.86 million in the year with an ending balance of \$2.42 million in accumulated surplus.

Expenses

2023-24 year-to-date expenditures were \$10.06 million, resulting in 72% spend in comparison to the budget of \$13.91 million.

- Salaries, wages, and benefits were \$7.64 million for the year, \$1.50 million below budget, primarily due to the agency's strategic approach towards recruitment and building capacity in key areas.
- Service expenses were \$1.78 million for the year, \$1.89 million below budget due to strategic modifications to planned spending, lower than anticipated spend and changes in implementation timelines on key priorities.
- Transportation and communication expenses were \$0.33 million for the year, \$0.02 million below budget due to lower-than-expected communication expenses.

- Marketing expenses were \$0.29 million, \$0.44 million below budget because of lower than anticipated spend.
- Supplies and equipment expenses were \$0.023 million for the year, \$0.007 million below budget, which correlates with lower than budget recruitment.

Invest Ontario almost doubled its expenditures in comparison to 2022-23 fiscal year which had a total operating budget of \$8.41 million and total spend of \$5.73 million, representing 68% of budget spent.

LOOKING AHEAD

We believe that the actions taken by the Board and agency leadership over the past year, along with support from the Ministry helped the Agency to expand its reach and impact, bolstering investor services and strengthening its partnership network to fulfill its mandate.

Our goal for the next year is to build on this growth by developing strategies to enhance the sustainability and reliability of the Invest Ontario Fund. Additionally, we plan to take further steps to position the Agency as a Centre for Excellence for investment attraction in the province, deepening our partnership ties for a more cohesive Investment Ecosystem, and exploring additional innovations to streamline our operational processes.

This will enable us to continue attracting high value investors, providing them with added value, and facilitating sustainable investments over the long term.

Contact information

For general inquiries and information, please contact Gabriella Siciliano, Senior Manager, Communications and Marketing at:

Email: gabriella.siciliano@InvestOntario.ca

Web: www.investontario.ca

APPENDIX A: RESPONSIBILITY FOR FINANCIAL REPORTING



Invest Ontario
250 Yonge Street, 35th Floor
Toronto, Ontario, Canada
M5B 2L7

Invest Ontario
Year ended March 31, 2024

Responsibility for Financial Reporting

The accompanying financial statements of the Invest Ontario have been prepared in accordance with Canadian public sector accounting standards and are the responsibility of management. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. The financial statements have been properly prepared within reasonable limits of materiality and considering information available up to July 16, 2024.

Management is responsible for the integrity of the financial statements and maintains a system of internal controls designed to provide reasonable assurance that the assets are safeguarded, and that reliable financial information is available on a timely basis. The system includes formal policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities.

The Board, through the Finance, Audit and Risk Committee, is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls. The Finance, Audit and Risk Committee is comprised of Board members who are not employees/officers of Invest Ontario and generally meets periodically with management and the Office of the Auditor General to satisfy itself that each group has properly discharged its respective responsibility.

The financial statements have been audited by the Office of the Auditor General of Ontario. The Auditor's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with Canadian public sector accounting standards. The Auditor's Report outlines the scope of the Auditor's examination and opinion.

Original signed by

Michael Fedchyshyn
Interim Chief Executive Officer

Original signed by

Alicia Yurichuk, CPA, CGA
Finance Director



INDEPENDENT AUDITOR'S REPORT

To Invest Ontario

Opinion

I have audited the financial statements of Invest Ontario, which comprise the statement of financial position as at March 31, 2024, and the statement of operations and accumulated surplus, changes in net financial assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Invest Ontario as at March 31, 2024, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing Invest Ontario's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Invest Ontario either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Invest Ontario's financial reporting process.

20 Dynamic Street West
 Suite 1500
 Toronto, Ontario
 M6H 3G9
 Tel: 416-927-0343
 Fax: 416-927-0867
 Or 416-927-8128
 www.comcon.com

20, rue Commerce
 Suite 1500
 Montréal, Québec
 H3B 3Y9
 Téléphone: 416-927-0343
 ou 416-927-8128
 www.comcon.ca

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Toronto, Ontario
July 16, 2024

Jeremy Blair, CPA, CA, LPA
Assistant Auditor General

APPENDIX C: AUDITED FINANCIAL STATEMENTS

Invest Ontario Statement of Financial Position As at March 31, 2024

	2024	2023
Financial Assets		
Cash	\$ 537,643	\$ 578,601
Interest Receivable	3,685	5,485
Due from Province of Ontario (note 3)	3,576,006	2,600,000
	4,117,334	3,184,086
Liabilities		
Accounts Payable and Accrued Liabilities (note 4)	1,567,248	838,831
Due to the Province of Ontario (note 5)	542,037	929,411
Net Financial Assets	2,008,049	1,415,844
Non Financial Assets		
Prepays (note 6)	416,369	146,693
	416,369	146,693
Accumulated Surplus	\$ 2,424,418	\$ 1,562,537
Ministry Funding Arrangement (note 12)		
Contingencies (note 13)		

The accompanying notes are an integral part of these statements.

On behalf of the Board:

Original signed by Andrew MacLeod

Chair, Board of Directors

Original signed by Anna Barrett

Chair, Finance, Audit and Risk Committee

Invest OntarioStatement of Operations and Accumulated Surplus
For the year ended March 31, 2024

	Budget March 31, 2024	March 31, 2024	March 31, 2023
Revenue:			
Transfer Payment – Ministry of Economic Development, Job Creation and Trade	\$ 13,910,000	\$ 10,814,876	\$ 6,149,907
Interest and Other Income	-	104,634	53,077
	13,910,000	10,919,510	6,202,984
Expenses (note 9):			
Salaries, Wages & Benefits (note 7)	\$ 9,135,251	\$ 7,640,120	\$ 3,910,679
Services (note 8)	3,668,380	1,780,278	1,655,197
Transportation & Communications	347,188	326,678	100,422
Marketing	729,500	287,776	49,445
Supplies & Equipment	29,681	22,777	16,075
	13,910,000	10,057,629	5,731,818
Annual Operating Surplus	-	\$ 861,881	\$ 471,166
Accumulated Surplus, beginning of year	1,562,537	1,562,537	1,091,371
Accumulated Surplus, end of year	\$1,562,537	\$ 2,424,418	\$1,562,537

The accompanying notes are an integral part of these statements.

Invest Ontario**Statement of Changes in Net Financial Assets****For the year ended March 31, 2024**

	Budget March 31, 2024	March 31, 2024	March 31, 2023
Annual Operating Surplus	\$ -	\$ 861,881	\$ 471,166
(Increase)/ decrease in Prepays	-	(269,676)	85,962
Increase in net financial assets	-	592,205	557,128
Net financial assets, beginning of year	1,415,844	1,415,844	858,716
Net financial assets, end of year	\$1,415,844	\$ 2,008,049	\$ 1,415,844

The accompanying notes are an integral part of these statements.

Invest Ontario
Statement of Cash Flow
For the year ended March 31, 2024

	March 31, 2024	March 31, 2023
Operating transactions:		
Annual Operating Surplus	\$ 861,881	\$ 471,166
Changes in non-cash working capital:		
Interest Receivable	\$1,800	(\$4,176)
Due from Province of Ontario	(976,006)	(2,600,000)
Accounts Payable and Accrued Liabilities	728,417	388,587
Due to Province of Ontario	(387,374)	(63,021)
Prepays	(269,676)	85,962
	(\$902,839)	(\$ 2,192,648)
Cash used by operating transactions	(\$ 40,958)	(\$ 1,721,482)
(Decrease) in cash	(\$ 40,958)	(\$ 1,721,482)
Cash, beginning of year	578,601	2,300,083
Cash, end of year	\$ 537,643	\$ 578,601

The accompanying notes are an integral part of these statements.

1. The Nature of the Organization

Invest Ontario (the “Corporation”) was created on July 8, 2020 by Ontario Regulation 357/20 under the *Development Corporations Act*, R.S.O. 1990, c. D.10 (Ontario). It was then continued April 27, 2021 under the Invest Ontario Act, 2021 (the “Act”).

Under the Act, the objects of the Corporation are to:

- secure private sector strategic business and capital investments that support economic development, resiliency and job creation in Ontario by, among other things, providing financial assistance and incentives to promote Ontario’s overall economic competitiveness and to promote growth in Ontario;
- to conduct such further activities, consistent with its objects, as are described in any policies or directives issued by the Ministry of Economic Development, Job Creation and Trade (the “Ministry”) or as set out in any agreement with the Minister of Economic Development, Job Creation and Trade (the “Minister”); and
- to receive, hold, sell, invest and otherwise deal with its assets in carrying out its objects.

The Corporation utilizes a proactive data-driven approach to secure high-value investments in technology, life sciences and advanced manufacturing sectors, and provides customizable services to support investment opportunities, including available financial assistance, talent support, advisory supports and concierge services. The Corporation's Board of Directors approves all recommendations to the Minister for investments of the Invest Ontario Fund.

The Corporation is exempt from federal and provincial income taxes under the Income Tax Act (Canada).

2. Significant Accounting Policies

(a) Basis of Accounting

These financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards as established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada).

The significant accounting policies used to prepare these financial statements are summarized below.

(b) Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues, as described below. All revenues are recorded on an accrual basis.

Funding from the Ministry of Economic Development, Job Creation and Trade:

The Ministry funds Corporation's operating activities. These funds from the Ministry are recorded as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Funds received from the Ministry are recognized as deferred revenue or accounts payable when these conditions give rise to a liability. Funds received from the Ministry are recognized as revenue in the Statements of Operations and Accumulated Surplus.

Interest income:

Interest income is recognized when earned.

(c) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed, and services received during the year is expensed.

(d) Prepaids

Prepaid expenses include services and are charged to expense over the periods expected to benefit from it.

(e) Related Party Transactions

Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by related parties.

(f) Financial Instruments

The Corporation's financial assets and liabilities are accounted for as follows: Cash is recognized at cost and is subject to an insignificant risk of change in value so

carrying value approximates fair value. Interest receivable, accounts payable and accrued liabilities are recorded at cost.

(g) Employee Pension Plans

The Corporation's full-time employees participate in the Public Service Pension Plan (PSPP), which is a defined benefit pension plan for employees of the province and many provincial agencies. The Province of Ontario, which is the sole sponsor of the PSPP, determines the Corporation's annual payments to the Plan. Since the Corporation is not a sponsor of the pension plan, gains and losses arising from statutory actuarial funding valuations are not assets or obligations of the Corporation, as the sponsor is responsible for ensuring that the pension plan is financially viable. The Corporation's contributions are accounted for as if the PSPP was a defined contribution plan with contributions being expensed in the period they come due.

(h) Use of Estimates

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported year. Items subject to such estimates and assumptions include accruals. Actual results could differ from those estimates.

3. Due from Province of Ontario

The Due from Province of Ontario represents the transfer payment amount owing to the Corporation by the Ministry and amounted to \$3,576,006 (2023 - \$2,600,000). Amounts due from Province of Ontario are settled separately from amounts due to Province of Ontario

4. Accounts Payable and Accrued Liabilities

Accounts payables relates to normal business transactions with third-party vendors. Accrued liabilities relates to salaries, wages, vacation and other employee benefits.

	2024	2023
Account payables & other accruals	\$ 500,584	\$ 269,609
Accrued liabilities	1,066,664	569,222
Total	\$ 1,567,248	\$ 838,831

5. Due to the Province of Ontario

During the fiscal year, the Ministry invoiced the Corporation the cost of dedicated staff, goods and services noted in Note 9. In addition, the Ministry charged the Corporation its share of costs from external service providers.

Changes to the Due to Province of Ontario balances during the year are as follows:

	2024	2023
Balance, beginning of year	\$ 929,411	\$ 992,432
Invoices received	442,037	1,051,144
Amount paid	(829,411)	(1,114,165)
Balance, end of year	\$ 542,037	\$ 929,411

6. Prepaids

	2024	2023
Analytical subscriptions & licenses	\$ 359,135	\$ 122,123
Other	57,234	24,570
Total	\$ 416,369	\$ 146,693

7. Employee Future Benefits

The Corporation has a defined benefit pension plan with the Public Services Pension Plan (PSPP) for all its employees. Employees transferred from the Ontario Public Service to the Corporation continued their pension with the PSPP. The Corporation (employer) matches employee contributions 100%. The employee's contributions are 7.4% of annual salary up to the Year's Maximum Pensionable Earnings (YMPE), and then 10.5% of the annual salary above the YMPE. Pension benefits of \$458,539 for the 2024 fiscal year (2023 - \$233,245) are included in Salaries, Wages & Benefits in the Statements of Operations and Accumulated Surplus.

8. Services

Services consists of the following:

	2024	2023
Data, client management & due diligence services	\$ 1,068,919	\$ 637,381
Professional and administrative services	711,359	1,017,816
Total	\$ 1,780,278	\$ 1,655,197

9. Related Party Transactions

During the fiscal year, in support of the Corporation's operations, the Ministry provided dedicated staff, goods and services to the Corporation on a cost basis, as follows:

- The Ministry charged the salaries and benefits (excluding pension costs) of ministry dedicated staff working at the Corporation totaled \$231,553 (2023 - \$522,047) and is recorded in Salaries, Wages & Benefits on the Statement of Operations and Accumulated Surplus.
- Included in Transportation & Communications and Services on the Statement of Operations and Accumulated Surplus are services and goods totaled \$167,271 (2023 - \$73,174) recovered by the Ministry at cost.

In addition, the following goods and services were provided at no cost to the Corporation and were not included in the Statement of Operations and Accumulated Surplus:

- Certain expenses incurred by the Corporation, specifically accommodations costs were absorbed by Ministry of Infrastructure. The costs for these services amounted to \$317,736 (2023 - \$834,611).
- In addition, certain legal expenses incurred by the Corporation were absorbed by Ministry. The costs for these services amounted to \$23,174 (2023 - \$nil).
- The Ministry provided payment and administration support and website and social media administration.

10. Ontario Centre of Innovation

The Corporation entered into an agreement with the Ontario Centre of Innovation to provide financial accounting systems, payroll and expense reporting services. The term of the original contract was from March 18, 2022 to January 31, 2023. In 2022-2023, an extension was signed, extending the term of the contract to February 29, 2024. During the fiscal year, an amendment to the contract for a second extension was signed, extending the term of the contract to August 31, 2024. The total contract has a value of \$437,870 exclusive of HST.

11. Financial Instruments Risk Management

a) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its cash flow obligations as they fall due. The Corporation's exposure to liquidity risk is minimal as all operations funding is provided by the Ministry. The Corporation mitigates its liquidity risk by preparing cash forecasts and regular reports to the Ministry. Amounts payable balance at period end are due within the first quarter of the following fiscal period.

b) Market Risk

The Corporation's exposure to market risk is comprised of interest rate risk. Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Corporation is exposed to minimal risk through its interest-bearing bank account.

12. Ministry Funding Arrangement

A master agreement was signed on December 1, 2021 between the Ministry and the Corporation which outlines the funding arrangement. The agreement outlines that any surplus funding received from the Ministry may be refunded or future installments may be adjusted. During the fiscal year, the Ministry reduced the Corporation's quarterly transfer payment by the 2022-23 operating surplus of \$471,166. As at March 31, 2024, management has not been informed of any additional refund.

13. Contingencies

The Corporation is involved in legal action arising in the normal course of business, the outcome and ultimate disposition of which cannot be predicted with certainty. Management does not expect that the outcome of the claim against the Corporation will have a material and adverse effect on its financial statements. Any settlement concerning this contingent liability will be accounted for in the period in which the settlement occurs.

APPENDIX D: MEMBERS OF THE BOARD OF DIRECTORS

Elyse Allan

Positions: Past Board Chair and past Board member

Term: Appointed in March 2021 for a one-year term. Reappointed in March 2022 for a two-year term. Term expired March 2024

Remuneration: \$14,875

Andrew MacLeod

Positions: Current Board Chair, past Board Vice Chair, Chair of the Investment Review Committee, ex-officio member of all Board committees

Term: Appointed in March 2021 for a one-year term. Reappointed in March 2022 for a one-year term. Reappointed March 2023 for a three-year term.

Remuneration: waived

Anna Barrett

Positions: Board Member and Chair of the Finance, Audit and Risk Committee

Term: Appointed in March 2021 for a one-year term. Reappointed in March 2022 for a one-year term. Reappointed in March 2023 for a three-year term.

Remuneration: \$2,650

Janet Ecker

Positions: Past Board Member and past Chair of the Governance and HR Committee

Term: Appointed in March 2021 for a one-year term. Reappointed in March 2022 for a two-year term.

Remuneration: \$1,575

Karen Sparks

Positions: Board Member and Chair of the Governance and Human Resources Committee

Term: Appointed in March 2022 for a two-year term. Reappointed in 2024 for a three-year term ending April 2027.

Remuneration: waived

Marc Boissonneault

Positions: Past Board Member and Member of the Investment Review Committee

Term: Appointed May 2023 for a three-year term. Resigned April 2024

Remuneration: waived

Ernie Eves

Positions: Board Member and Member of the Investment Review Committee

Term: Appointed in March 2021 for a one-year term. Reappointed in March 2022 for a two-year term. Reappointed in 2024 for a one-year term ending in March 2025.

Remuneration: waived

Gadi Mayman

Positions: Board Member and member of the Finance, Audit and Risk Committee

Term: Appointed in March 2021 for a one-year term. Reappointed in March 2022 for a one-year term. Reappointed March 2023 for a three-year term.

Remuneration: \$0

Joseph Mancinelli

Positions: Board Member and member of the Investment Review Committee

Term: Appointed in March 2021 for a one-year term. Reappointed in March 2022 for a two-year term. Reappointed in March 2024 for a one-year term.

Remuneration: waived

Carmine Nigro

Positions: Board Member and member of the Governance and HR Committee

Term: Appointed in March 2021 for a one-year term. Reappointed in March 2022 for a two-year term. Reappointed in 2024 for a two-year term ending in March 2026.

Remuneration: waived

Carolyn Watts

Positions: Board Member and Member of the Finance, Audit and Risk Committee

Term: Appointed in March 2022 for a two-year term. Reappointed in April 2024 for a three-year term.

Remuneration: \$1,600