



# 2024 2027 BUSINESS PLAN

IN·NO·VATE:

**VERB.** MAKE CHANGES,  
ESPECIALLY BY  
INTRODUCING NEW  
METHODS, IDEAS  
OR PRODUCTS.

SEE ALSO:

ALBERTA INNOVATES.

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# MESSAGE FROM THE BOARD CHAIRPERSON

WHEN YOU HEAR THE PHRASE ‘INNOVATION’ – WHAT DO YOU PICTURE? DESCRIBING AND PUTTING INNOVATION INTO CONTEXT IS AN ONGOING PROCESS AND HOW YOU FEEL ABOUT IT CONTRIBUTES TO HOW YOU PERCEIVE IT AND WHAT YOU MIGHT PICTURE IN YOUR MIND WHEN YOU THINK OF INNOVATION.



**Tony Williams**

Do you visualize computer screens and think of technology jobs? Do you picture renewable energy developments or treating environmental damage? Are scientists and researchers coming to mind, or doctors and new medical treatments? Maybe you just imagine your neighbour who has built a new device in their garage and is trying to figure out what comes next?

For all these scenarios and many more, Alberta Innovates is a part of that picture. Across the country and world, it may seem the challenges facing us are only growing. That is why we can't stop innovating, and why the Alberta Innovates 2024–2027 Business Plan continues to demonstrate our commitment to making a difference in strategic priorities for Alberta.

Anyone can be an innovator and Albertans continually innovate, finding new solutions and improving what is possible. There are many challenges moving from idea to viable company, and Alberta Innovates is there with tailored support to reduce the risks and increase the likelihood of success. As the provincial engine of innovation, we are there for Albertans through programs, guidance, funding and community supports.

In the coming years we will continue to build on the successes of recent initiatives such as the Scaleup Growth Accelerator Program to help startup companies grow and find their markets. We look forward to more progress in alternative energy development through the Hydrogen Centre of Excellence and our focus on clean technology development.

We will engage in strategic partnerships to support our robust research and innovation ecosystem in Alberta, and to support the acceleration of great ideas to create new jobs, investment and solutions. Alberta Innovates will maintain existing and develop new strategic partnerships and collaborations with provincial and national funders to support all areas of strategic opportunity. We will also grow Alberta's clinical health research capacity by leveraging the province's strengths to attract investment and clinical trials to Alberta and collaborate with like-minded organizations to support a thriving digital health ecosystem. At the community level, our Regional Innovation Networks continue to bring connections together and provide advice to those neighbours who are looking to take a leap forward with their ideas.

Alberta Innovates will also continue to work closely with the Government of Alberta to support its Alberta Technology and Innovation Strategy and align with the priorities important to Albertans.

When Albertans hear the word ‘innovation’ we want you to see yourself and know that our organisation is there, driving innovation forward.

# MESSAGE FROM THE CEO

EARLIER IN THIS YEAR, I HAD THE OPPORTUNITY TO MEET A REMARKABLE AND BRAVE PERSON. HIS NAME WAS MARTY REHMAN AND SEVERAL YEARS AGO MARTY SUFFERED A TERRIBLE INJURY JUST BEFORE HIS SCHEDULED RETIREMENT AND IS NOW A QUADRIPLAGIC, CONFINED TO A WHEELCHAIR.



**Laura J. Kilcrease**

Marty was kind enough to share his story with us as we launched an important partnership with the Glenrose Hospital Foundation to help develop medical technologies to support people like Marty who live outside of Alberta's two main cities, where it can be challenging to access rehabilitative treatment and care.

I was able to spend time with Marty afterwards for a tour of the Glenrose Hospital. His story that day helped remind all of us, why we do this work. Innovation is not just a phrase; innovation must make a difference in the lives of everyday Albertans.

Our 2024 Business Plan outlines the big picture of how Alberta Innovates continues to lay the foundation for growing our economy, expanding markets, investing in science and research, supporting entrepreneurs and attracting investment.

Our focus is on five areas of economic opportunity for Alberta – Digital Health, Clean Resources Technologies, Artificial Intelligence and emerging technologies, the Entrepreneurial Ecosystem and Smart Agriculture.

When it comes to supporting the growth of the technology sector, in 2023 Alberta recorded 86 venture capital deals worth \$707 million and those are only the public deals reported through the Canadian Venture Capital Association; we know there are more happening. Alberta continues to hold its own in the face of a slowdown across Canada in this area.

Our work in agriculture and water innovation will help farmers and other industries mine timely intelligence from vast data fields to optimize efficiency, production and supply chains. Our clean technology work is creating new products such as carbon fibre from natural resources while doing it in a more sustainable way.

Our subsidiaries, InnoTech Alberta and C-FER Technologies will continue to play a strong role in applied research as a resource to business and industry. Bringing technical expertise, facilities and equipment to bear, they work to validate, test and de-risk adoption of innovations increasing the odds for successful and accelerated commercialization and market development.

Our signature conference, Inventures is a showcase for innovation and business. An economic assessment of Inventures 2023 showed \$164-\$256 million in business carried out, negotiated, or begun at the conference and several million dollars in tourism and economic impact created.

Behind these priorities and figures are people dedicated to this work and creating an impact for Alberta. This extends beyond our own enterprise to the larger ecosystem. Innovation is needed to tackle the challenges in our society. We believe we can do hard things, better, together!

Our priorities reflect the big picture for Albertans, but our operations will always be focused, simultaneously, on the tangible difference we make for individuals today and in the future.



# LAND ACKNOWLEDGEMENT

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WE ACKNOWLEDGE THE MANY FIRST NATIONS, MÉTIS AND INUIT WHO HAVE LIVED ON AND CARE FOR THESE LANDS FOR GENERATIONS. WE ARE GRATEFUL FOR THE TRADITIONAL KNOWLEDGE KEEPERS AND ELDERS WHO ARE STILL WITH US TODAY AND THOSE THAT HAVE GONE BEFORE US.

ALBERTA INNOVATES RESPECTFULLY ACKNOWLEDGES THAT WE ARE SITUATED ON TRADITIONAL TERRITORY OF THE TREATY 6, TREATY 7 AND TREATY 8 FIRST NATIONS; HOME TO MÉTIS SETTLEMENTS, THE MÉTIS NATION OF ALBERTA, AND REGIONS 2, 3 AND 4 WITHIN THE HISTORICAL NORTHWEST MÉTIS HOMELAND.

WE RESPECT THE HISTORIES, LANGUAGES AND CULTURES OF FIRST NATIONS, MÉTIS AND INUIT WHOSE PRESENCE CONTINUES TO ENRICH OUR VIBRANT COMMUNITY.

# EXECUTIVE SUMMARY

AS ALBERTA'S INNOVATION ENGINE, WE FIRMLY BELIEVE THAT INNOVATION IS KEY TO GROWING THE ECONOMY, EXPANDING MARKETS AND CREATING NEW AND BETTER OPPORTUNITIES FOR ALBERTANS. OUR 2024–2027 BUSINESS PLAN CONTINUES TO FOCUS ON AREAS OF SIGNIFICANT ECONOMIC OPPORTUNITY FOR ALBERTA AND OUR COMMUNITIES. WE ALSO REMAIN ALIGNED TO THE PRIORITIES OF THE GOVERNMENT OF ALBERTA INCLUDING THE ALBERTA TECHNOLOGY AND INNOVATION STRATEGY (ATIS).

Innovation, at its heart, is about progress. It's about finding new and better ways to do things – whether it's in our health care sector, improving the sustainability of energy developments, bringing more technology to our farm fields, or providing that early-stage funding to commercialize discoveries from our post-secondary institutions – innovation is about making life better for Albertans.

Research and innovation is also at its best when it is open and transparent, when we work to bring Albertans along with us in the discoveries. As an agency of the Government of Alberta, we are committed to openness and transparency and our priorities, initiatives and how we measure our progress towards those are clearly identified in this plan.

## Key initiatives within this plan include:

- Continue investment in the Alberta Scaleup and Growth Accelerator Program (Scaleup GAP) to focus on:
  - > growing Alberta, Canadian and global ventures;
  - > attracting global technology firms and investment to Alberta;
  - > and building a thriving technology and innovation ecosystem within the province.
- Support agriculture and food innovations to:
  - > move toward net-zero greenhouse gas emissions;
  - > increase sustainability through soil, crop and animal health as well as disease management;
  - > increase value-add food production; and address food security issues.
- Through the launch of an Artificial Intelligence in Health Consortium, support healthcare transformation in Alberta by identifying ways to shorten the gap between the promise and the reality of artificial intelligence in health.
- Grow Alberta's clinical health research capacity by leveraging the province's strengths to attract investment and clinical trials.
- Continue to drive the development of a hydrogen economy by offering programs and services to discover, develop, test and use hydrogen technologies. Showcase, through the Hydrogen Centre of Excellence (HCOE), the opportunities presented by leveraging hydrogen technologies. Utilize HCOE's systems capacity stream to support the development of non-technology related hydrogen initiatives such as the development of codes and standards.
- Support the development of sustainable materials in priority areas such as bio-industrial materials, bioenergy and circular economy for plastics.
- Continue to create value for our organization and our clients by supporting future-focused and operational excellence initiatives. Ensure the organization is appropriately resourced and has sufficient capacity (systems, facilities and the workforce) to meet the increasing demands and needs of our stakeholders and clients.

## Applied research and testing services

Supporting scientific research, creating the new innovations to power our province is a crucial piece of our work. There comes a point, however, where innovations need to be tested, where ideas must be challenged, and safety evaluated to move concepts into real-world use.

Our two subsidiaries, C-FER Technologies and InnoTech Alberta work with clients to develop new ideas through testing, mitigating risk and scaleup of processes. Each organization has a strong client-driven focus to help generate and test solutions to the complex challenges facing industry.

### Key initiatives for these organizations include:

- Both C-FER and InnoTech Alberta have identified opportunities to leverage their expertise to support the development of a hydrogen economy.
- C-FER will establish full-scale testing capabilities for hydrogen environments through support from the Hydrogen Centre of Excellence and matching funds from partners.
- Contribute to asphaltene-based carbon fibre development in Alberta by building InnoTech's level of expertise and infrastructure capacity.
- Identify opportunities to expand Bitumen Beyond Combustion (BBC) products such as asphalt binder, activated carbon, vanadium batteries, metal carbides and graphene into new markets.
- Advance geothermal technologies to a higher level of technical and market readiness by supporting small innovators in the geothermal technology space and utilizing C-FER's modeling and technical expertise.

## Ecosystem partnerships, collaborations and connections

Alberta Innovates supports a pan-provincial network of partnerships and collaborations to help amplify and showcase the research and innovation system of this province beyond our borders. Working together, we do great things, and our goal is to go beyond a transaction and support deeper partnerships that can strengthen ties across our ecosystem.

Collaborations and partnerships make the ecosystem stronger. Through our connections with groups such as the Canadian Agri-Food Automation and Intelligence Network (CAAIN), the Clean Resource Innovation Network and the Canadian Oilsands Innovation Alliance (COSIA) – we drive innovations forward in smart agriculture and clean resources technologies and showcase Alberta's strengths in these areas.

In the healthcare sector, our involvement with the Alberta Clinical Research Consortium, the Alberta Support Unit for Patient Oriented Research and ARECCI, (A pRoject Ethics Community Consensus Initiative) help build and attract expertise investment, clinical trials to the province.

INVENTURE\$ 2024 will welcome thousands of attendees, including delegates from all corners of the world. With this growing global conference, we are setting the stage for Alberta companies to showcase their innovations. The conference brings together the brightest minds, angel investors, venture capitalists, entrepreneurs, and industry leaders from across the globe that are solving the most critical issues of our time.

Innovation can be a spontaneous moment but building the system to support it requires planning, dedication and on-going support.

Please browse through our 2024–2027 Business Plan to learn about our corporate goals and objectives and the key initiatives that will help us achieve our mandate and deliver impact to Alberta and beyond.



# MANDATE AND STRUCTURE

INNOVATION IS THE CATALYST FOR ECONOMIC STRENGTH, ENVIRONMENTAL BENEFITS AND IMPROVED HEALTH AND WELL-BEING. AS ALBERTA'S LARGEST AND ONLY CROSS-SECTORAL RESEARCH AND INNOVATION (R&I) AGENCY, ALBERTA INNOVATES IS UNIQUELY POSITIONED TO PROPEL GREAT IDEAS FORWARD TO IMPROVE THE LIVES OF ALBERTANS.

Alberta Innovates steers the innovation system to bring benefits to Albertans, within our [mandate](#) as set by the Government of Alberta and in alignment with the province's [Investment and Growth Strategy](#) and the priorities of the [Alberta Technology and Innovation Strategy \(ATIS\)](#). Our activities and impacts contribute to work being done in several areas of government to create a lower-emission future that strengthens and diversifies our economy, including building a hydrogen economy and helping Albertans develop new skills and grow careers.

We are governed by a government-appointed board and report to the Minister of Technology and Innovation (Ministry). Our activities are funded in large part through the Ministry with a budget approved by the Legislative Assembly.

We augment this budget with additional funding from other provincial and federal government entities, industry and non-governmental organizations (NGOs). Alberta Innovates also generates revenue through contract services provided by our two subsidiaries, C-FER Technologies (1999) Inc. (C-FER) and InnoTech Alberta Inc. (InnoTech).

## What we offer

We support and accelerate innovation across multiple sectors through our strategic investments in R&I projects and initiatives. Our investments span the R&I continuum from creation of new ideas to applied testing, commercialization, end use and scaleup.

Our support and state-of-the-art facilities accelerate our clients' journey along the R&I continuum. Internationally recognized applied research, development and engineering services offered by C-FER and InnoTech provide a critical 'bridge' that validates, tests and translates innovation into real-world use. Our strategic partners in government, industry and academia value our expertise and ability to improve co-ordination and results within the innovation system.

## Equity, diversity and inclusion

Alberta Innovates is committed to fostering a work environment and an innovation ecosystem built on the principles of equity, diversity and inclusion (EDI). We believe EDI enhances the R&I ecosystem and our positive impact on the province.

## WE ARE

### A funder and service provider:

- We support researchers, entrepreneurs and companies of all sizes with our investments.
- We offer targeted funding programs, services and expertise to achieve the province's research and innovation (R&I) priorities.
- We offer applied research and advanced manufacturing expertise and industrial facilities at our two subsidiaries – to help clients test, scale and validate ideas and prototypes.

### A partner and collaborator:

- We support networks and collaborations to ensure our clients are connected to the right resources at the right time – helping them succeed (or fail) faster.

### A convenor and connector:

- We advance the growth and scale of innovation by bringing together innovators, industry and thought leaders.

# ALBERTA INNOVATES AT A GLANCE



11 Locations



2 Subsidiaries

*C-FER Technologies (1999) Inc.  
InnoTech Alberta Inc.*



Employees

603\* *Full-time equivalents*



Operating Budget

*of \$254.7 million for 2024–25*



\$1.33 billion

*Total value of nearly 1,280 active  
projects in 2022–23 funded by  
Alberta Innovates grants*

\*Alberta Innovates, C-FER Technologies (1999) Inc., InnoTech Alberta

# STRATEGIC CONTEXT

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THE BUSINESS PLAN OUTLINES HOW WE WILL MEET OUR ORGANIZATIONAL MANDATE AS SET OUT BY THE GOVERNMENT OF ALBERTA, THROUGH OUR STRATEGIC DIRECTION, INVESTMENTS AND ACTIVITIES.

WE RECOGNIZE THAT NO SINGLE TECHNOLOGY OR INDUSTRY CAN PLACE ALBERTA ON THE ROAD TO LONG-TERM ECONOMIC PROSPERITY AND ENHANCE THE WELL-BEING OF OUR CITIZENS. RATHER A CONVERGENCE OF EMERGING TECHNOLOGIES, PLATFORMS, APPLICATIONS AND INDUSTRIES IS NECESSARY.

This understanding is reflected in the integrated approach we take to our programming. Alberta Innovates aims to capitalize on Alberta's strengths while leveraging technologies and innovations with the highest promise for adoption and impact. These activities are essential to driving the economic diversification and growth critical to our province's success.

While the province's economy has fared more positively than elsewhere in Canada, continued economic pressures such as increased inflation and cost of living and environmental challenges such as wildfires and drought conditions have slowed our pace of growth. ATB Financial credits positive momentum in the energy sector, population growth and growth in emerging sectors – including hydrogen, food manufacturing and technology – as reasons the province has remained one of the country's economic growth leaders over the last number of years.<sup>1</sup>

The pressures faced by the province, while challenging, also provide great opportunity for development and investment by Alberta Innovates, our subsidiaries (C-FER Technologies and InnoTech Alberta) and the clients we serve.

<sup>1</sup> [ATB Financial. Alberta Economic Outlook, December 2023](#)

## AREAS OF SIGNIFICANT ECONOMIC OPPORTUNITY

WE HAVE IDENTIFIED **FIVE AREAS** OF SIGNIFICANT ECONOMIC OPPORTUNITY FOR ALBERTA TO ACHIEVE OUR PRIORITIES, AND HELP ADDRESS GLOBAL CHALLENGES.

Our investments in these areas build on skills and supports we have developed in Alberta's R&I ecosystem over time, since the provincial government of the day established our predecessor organization in 1921.



### Artificial Intelligence

We are building on our past successes in creating world-recognized artificial intelligence capacity in Alberta by supporting further development and application across sectors.



### Clean Resource Technologies

We invest in R&I that transforms bitumen into non-combustion, value-added materials, and clean technologies that improve environmental sustainability and economic diversification.



### Digital Health

We are advancing digital health technologies to accelerate improvements in the quality and long-term sustainability of our health system and the health of Albertans.



### Entrepreneurial Ecosystem

We continue to support a growing entrepreneurial ecosystem in Alberta through the programs, networks and connections we provide to entrepreneurs and startups to commercialize their innovations and scale their businesses.

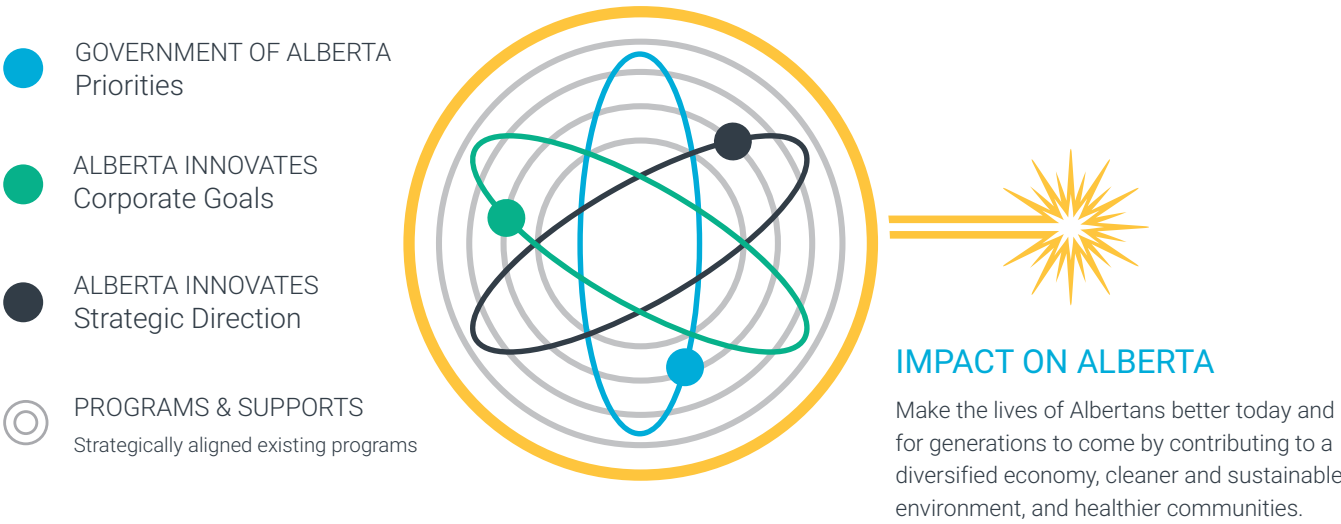


### Smart Agriculture

We lead smart agriculture R&I and address food security challenges through adoption of technology for significant impact in Alberta and beyond.

# ACTIONS FOR IMPACT

ALBERTA INNOVATES CONTRIBUTES TO THE PROVINCE’S TECHNOLOGY AND INNOVATION SUCCESSES THROUGH INTERCONNECTED RELATIONSHIPS BETWEEN THE GOVERNMENT’S R&I PRIORITIES AND OUR CORPORATE STRATEGIC PRIORITIES, GOALS AND BUSINESS AND OPERATING PLANS.





## THE RESEARCH & INNOVATION CONTINUUM

THE INVESTMENTS WE MAKE THROUGH OUR FUNDING PROGRAMS AND SUPPORTS SPAN THE DISCOVER, DEVELOP AND USE STAGES OF THE R&I CONTINUUM. WE PLAN OUR INVESTMENTS ACROSS THE CONTINUUM BY TAKING INTO CONSIDERATION THE CURRENT STATE OF KNOWLEDGE, TECHNOLOGY, INNOVATION AND NEED ALONG WITH THE STATE OF READINESS AND CAPABILITY IN THE R&I ECOSYSTEM.

Innovation inherently requires a tolerance for risk throughout the R&I continuum as new ground is forged and boundaries are pushed. Complexities associated with the discovery, development and use of innovations also require ongoing commitments and patience to enable larger-scale benefits to be realized for the province.

Our operational and resource allocation planning is informed by the types of outcomes we anticipate and when – appreciating that near-term activities frequently set the stage for mid- and longer-term actions and their outcomes. Collectively, our key initiatives are designed to create a pipeline of opportunity for the province, with the goal of a more diverse, sustainable and healthy future – moving innovations into the hands of Albertans and the world.

### THE R&I CONTINUUM



**Discover** – aims to create new knowledge or understanding that may or may not have specific applications in mind from the outset. This type of research is usually performed at universities.



**Develop** – involves developing knowledge gained during the Discover stage toward a particular use. This development work typically occurs in applied research areas at universities, colleges and polytechnics, as well as industrial research laboratories.



**Use** – is about translating and applying developed research to address needs in the ‘real-world.’ This activity focuses on processes for the uptake, spread and scale of application-ready innovations. Examples include technology adaptation, technology commercialization, product and market innovation, and translational research in health care.

## DEVELOPING AND DEPLOYING TECHNOLOGY

OUR TWO SUBSIDIARIES ARE UNIQUELY POSITIONED TO FACILITATE TECHNOLOGY DEVELOPMENT AND DEPLOYMENT THAT SUSTAINS AND GROWS THE PROVINCE'S CORE AND EMERGING INDUSTRIES. C-FER AND INNOTECH WILL CONTINUE TO DELIVER VALUE AND SOLUTIONS THAT MEET THE UNIQUE NEEDS OF THEIR CLIENTS WHILE MAKING KEY CONTRIBUTIONS TO ALBERTA INNOVATE'S ABILITY TO FULFILL ITS MANDATE.

### C-FER Technologies

C-FER delivers value to a multitude of energy and other industrial-sector stakeholders by providing a broad range of engineering, advisory and testing services. These expertise-driven services help clients in various sectors de-risk new and innovative products, services and approaches to business. All services provided by C-FER have one theme in common – improving safety and providing protection of people, property, infrastructure and the environment.

C-FER's unparalleled value stems from its exceptional specialization, setting itself apart through distinctive capabilities in applied research and development across diverse engineering domains, including:

- Finite element analysis;
- Material fatigue and erosion;
- Concept or process validation;
- Risk assessment;
- Complex modeling;
- Software development;
- Field/industrial-scale simulation testing; and
- Facilitator and executor of joint industry projects.

C-FER's industrial laboratories are capable of small, medium and field-scale simulations. These services focus on advancing operational, environmental and safety performance in relevant industry and emerging areas. C-FER's researchers focus on opportunities and problems relating to:

- Energy infrastructure;
- Geothermal applications;
- Production enhancements;
- Hydrogen energy;
- Carbon capture, utilization, and storage;
- Repurposing under-utilized or suspended oil and gas assets for other functions as part of the energy transition;
- Nuclear;
- Transportation;
- Inland waterway spill mitigation and response; and
- Pipeline failure mitigation and early detection.

## InnoTech Alberta

InnoTech Alberta is a research and technology organization (RTO) mandated to provide leading-edge technological expertise and industrial-scale facilities and equipment to test, de-risk, scale and accelerate the development of innovative technologies. We also convene and connect industry and ecosystem partners, and conduct applied research and development (R&D) to support strategic policies and programs intended to foster Alberta's economic growth and sustainment. This ensures that that strategic investments are made to advance promising technologies that ultimately benefit Albertans. Through these broad activities, InnoTech contributes to sustaining and growing Alberta's industrial sectors by bridging the gap between early-stage technologies and innovations and industrial end-use.

InnoTech operates as a non-profit organization, relying on a combination of grant-funded, fee-for-service and blended projects to achieve cost recovery.

InnoTech will continue to provide a diverse array of **core Services** to industry and public sector clients:

- Advanced Manufacturing and Materials;
- Bioindustrial Product and Process Development;
- Biocomposite Material Development, Processing, Research and Analysis;
- Plant Sciences;
- In-Situ Recovery Process Development and Optimization;
- Mined Oil Sand Bitumen Extraction and Processing;
- Integrated Environmental Monitoring and Analysis;
- Environmental Impacts Research and Risk Evaluation;
- Smart Industrial Solutions; and
- Chemical Testing and Analysis.

InnoTech will also conduct activities in several **growth areas**:

- Hydrogen Technologies;
- Carbon Capture, Utilization and Storage;
- Bitumen Beyond Combustion; and
- Applied Data Sciences.

# CORPORATE GOALS AND TARGETS

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THIS BUSINESS PLAN OUTLINES HOW ALBERTA INNOVATES INTENDS TO CONTRIBUTE TO THE GROWTH OF ALBERTA'S ECONOMY. THE CORPORATE GOALS OUTLINED IN THIS PLAN REFLECT OUR CURRENT BUSINESS AND ORGANIZATIONAL FOCUS. EACH GOAL IS ACCOMPANIED BY OBJECTIVES, KEY PERFORMANCE INDICATORS (KPIs), ACTUALS IN 2022-23 AND TARGETS IN EACH OF THE NEXT THREE FISCAL YEARS.

ALBERTA INNOVATES CONTINUES TO WORK DILIGENTLY TO FURTHER STRENGTHEN OUR ABILITY TO QUANTIFY OUR OUTCOMES AND ASSESS PERFORMANCE RELATIVE TO TARGETS. THIS ENABLES US TO BETTER DEMONSTRATE THE VALUE AND COST-EFFECTIVENESS OF OUR PROGRAMS AND SERVICES TO ALBERTANS. AS A RESULT OF THIS WORK, SOME OBJECTIVES, KPIs AND TARGETS FROM PAST BUSINESS PLAN HAVE BEEN UPDATED TO ENSURE STRONGER ALIGNMENT WITH OUR BUSINESS OPERATIONS, AND THE STRATEGIES AND PRIORITIES OF THE ORGANIZATION AND GOVERNMENT OF ALBERTA.

## GOAL 1

RESEARCH & INNOVATION IS STIMULATED IN AREAS OF STRATEGIC IMPORTANCE BY INVESTMENT IN PROGRAMS, SUPPORTS AND SERVICES.

Objectives	KPIs	Actuals 2022–23	Targets		
			2024–25	2025–26	2026–27
<b>1.1</b> Strategically invest in research & innovation that aim to benefit Alberta.	<b>1.1.1</b> \$ invested in areas of research, innovation and commercialization	\$155.5M	\$154.9M <sup>†</sup>	\$155.2M <sup>†</sup>	\$140.1M <sup>†</sup>
	<b>1.1.2</b> # of clients supported through grant investments (excluding trainees)	935	≥970	≥970	≥970
	<b>1.1.3</b> Projected annual GHG emission reduction (Mt CO <sub>2</sub> e) by 2030 by all completed and active projects	18MT CO <sub>2</sub> e	25MT CO <sub>2</sub> e	27MT CO <sub>2</sub> e	29MT CO <sub>2</sub> e
<b>1.2</b> Support SMEs to develop and commercialize innovations.	<b>1.2.1</b> # of new hires (jobs) in Alberta in SMEs funded by Alberta Innovates	5,709	3,250	3,400	3,550
	<b>1.2.2</b> % difference in year-over-year job growth for SMEs funded by Alberta Innovates, compared with all Alberta companies	12.63%	≥10%*	≥10%*	≥10%*
	<b>1.2.3</b> % difference in survival rate for SMEs funded by Alberta Innovates, compared with Canadian SMEs after 6 years	27.4%	≥25%*	≥25%*	≥25%*
	<b>1.2.4</b> % difference in revenue-generating SMEs funded by Alberta Innovates that export, compared with all Alberta companies that export	51%	≥40%*	≥40%*	≥40%*

<sup>†</sup> Targets are aligned to the approved budget amounts on the most recent Consolidated Statement of Operations.

\* We aim to assist SMEs to consistently achieve a minimum threshold of performance above the identified comparison group.



Objectives	KPIs	Actuals 2022–23	Targets		
			2024–25	2025–26	2026–27
<b>1.3</b> Enhance Alberta's research and innovation system by providing expertise and supporting capacity development.	<b>1.3.1</b> # of clients supported through in-kind supports and services	4,374	≥4200	≥4200	≥4200
	<b>1.3.2</b> # of trainees supported to enhance the knowledge workforce in strategic areas	1887	≥1650	≥1650	≥1650
	<b>1.3.3</b> # new research studies submitted to Health Research Ethics Boards of Alberta (HREBA) to safeguard the rights and welfare of individuals volunteering to participate in research	461	650**	650**	650**

\*\*Target has been adjusted due to delays in the opening of the Calgary Cancer Centre.

## Key Initiatives

- Support and grow Alberta's talent pool in current and emerging technology areas through programs such as our Graduate Studentship and Life Science Fellowships while concurrently strengthening the connection between talent and Alberta-based companies through programs such as Campus Alberta Small Business Engagement and Industry Associates.
- Drive entrepreneurship and company growth in technology and knowledge-based SMEs through our suite of coaching, community and capital programs that provide support from development to scaling.
- Continue investment in the Alberta Scaleup and Growth Accelerator Program (Scaleup GAP) to focus on: scaling and growing Alberta, Canadian and global ventures; attracting global technology firms and investment to Alberta; and building a thriving technology and innovation ecosystem within the province.
- Explore the challenges and gaps that exist with industry adoption of emerging technologies in Alberta, including identifying opportunities for influence that are aligned to our priority areas and ATIS.
- Contribute to Alberta's lower-emission future through programs and supports focused on clean energy technologies.
  - > Our Cleaner Hydrocarbon Production initiatives will continue to support technologies that reduce emissions and improve competitiveness for hydrocarbon extraction. This includes the Digital Innovation in Clean Energy initiative and continued engagement with partners such as Canadian Emissions Reduction Innovation Network (CERIN).
  - > Technologies that create additional value from Alberta's raw hydrocarbons will remain the focus of our Innovative Hydrocarbon Products initiatives.
  - > To further contribute to the decarbonizing of Alberta's energy system, Competition 2 of the Hydrogen Centre of Excellence will launch in 2024–25 and investments will be made in additional projects that support areas of interest such as carbon capture, grid modernization, small modular nuclear reactors and lithium extraction.

- Support agriculture and food innovation to: move toward net-zero greenhouse gas emissions; increase sustainability through soil, crop and animal health as well as disease management; increase value-add food production; and address food security issues.
- Deliver programs to support the development of innovative solutions and essential knowledge in the environmental innovation, focusing on water, land, biodiversity and climate adaptation strategies.
  - > We will host the Water Innovation Forum; establish a robust provincial coalition to bolster climate adaptation efforts, and support provincial priorities concerning land management, biodiversity conservation, and sustainable water resource utilization.
- Support the development of sustainable materials in priority areas such as bio-industrial materials, bioenergy and circular economy for plastics.
- Stimulate digital health innovation in Alberta by accelerating the client journey for health innovators through the continued delivery of programs such as Partnership for Research and Innovation in the Health System (PRIHS) Digital Health, the suite of Accelerating Innovations into CarE (AICE) programs and LevMax-Health as well as the launch of the newly developed ADHERE program.
- Develop a Digital Health Sandbox to provide innovators with access to market-leading health IT systems in a simulated environment that is safe and non-intrusive develop robust patient solutions that will seamlessly connect into Health IT systems.
- Through the launch an Artificial Intelligence in Health Consortium, support healthcare transformation in Alberta by identifying ways to shorten the gap between the promise and the reality of artificial intelligence in health.
- Through our ongoing hosting of the Health Research Ethics Board of Alberta (HREBA), we will continue to safeguard the rights and welfare of individuals who volunteer to participate in medical studies by ensuring researchers adhere to ethical principles in the conduct of research. HREBA works closely with the University of Alberta, University of Calgary and other research institutes and streamlines the ethics review process for multi-site studies in Alberta.

## GOAL 2

APPLIED RESEARCH, DEVELOPMENT AND ENGINEERING SERVICES ARE PROVIDED THAT VALIDATE, TEST AND TRANSLATE INNOVATION INTO REAL-WORLD USE.

Objectives	KPIs	Actuals 2022–23	Targets		
			2024–25	2025–26	2026–27
<b>2.1</b> Increase proportion of revenue generated by InnoTech and C-FER from sources other than Government of Alberta.	<b>2.1.1</b> % increase in revenue generated by InnoTech and C-FER from sources other than Government of Alberta	3%	5%	6%	7%
<b>2.2</b> Optimize use of InnoTech and C-FER resources.	<b>2.2.1</b> % of capacity utilized to enhance and provide the delivery of services to clients (effective utilization) – InnoTech*	82.3% <sup>‡</sup>	75–80%	75–80%	75–80%
	<b>2.2.2</b> % of capacity utilized to provide the delivery of services to clients (effective utilization) – C-FER*	29.3%*	30.7%	35%	40%
<b>2.3</b> Leverage partner relationships and funding to advance technology development in Alberta.	<b>2.3.1</b> \$ client revenue leveraged for each \$1 of internal investment by InnoTech	\$4.60	\$4.10	\$4.20	\$4.30
	<b>2.3.2</b> \$ (external non-GOA) client revenue leveraged for InnoTech's growth focus areas** for each \$1 of internal investment in these new areas	\$0.90	≥\$0.5	≥\$0.5	≥\$0.5
	<b>2.3.3</b> \$ (external non-GOA) client revenue leveraged for InnoTech's core areas** for each \$1 of internal investment to maintain or advance those areas	\$4.90	≥\$2.50	≥\$2.50	≥\$2.50
<b>2.4</b> Transition technologies and products to market through our applied R&D expertise and services.	<b>2.4.1</b> Advancement of InnoTech-supported technologies along Technology Readiness Levels	1.3 levels	1.5 levels <sup>†</sup>	1.5 levels <sup>†</sup>	1.5 levels <sup>†</sup>
	<b>2.4.2</b> GDP impacts resulting from InnoTech-supported advancement of technologies, products, processes, job creation or maintenance	\$805M	\$750–850M	\$750–850M	\$750–850M

\* Methodology varies between C-FER and InnoTech when calculating utilization rates. C-FER measures utilization as 'Percentage of time staff are spending on billable projects' while InnoTech measures utilization as 'Percentage of time staff are spending on billable projects, business development, or operations and maintenance activities.'

\*\* InnoTech's **Growth Focus Areas**: Investment in capabilities and capacity required to develop new services to support Alberta's innovation ecosystem where market demand is still nascent. InnoTech's **Core Service Areas**: InnoTech's existing mature services offerings generating the high external revenue from private and public sector clients. See page 16 for descriptions of these areas.

<sup>†</sup> We aim to assist our clients to consistently achieve a minimum threshold of technology advancement.

## Key initiatives

- C-FER will establish full-scale testing capabilities for hydrogen environments through support from the Hydrogen Centre of Excellence (HCOE) and matching funds from partners.
- Position InnoTech as a hub for advanced manufacturing and materials development in Alberta, including performing a key role as a connector and convener. Expand InnoTech's client base by convening new and existing industry partners to address challenges related to innovative component design, novel materials and advanced manufacturing processes.
- Establish full-scale CO2 testing facilities at Canadian Forces Bases (CFB) Suffield in southeast Alberta through Work with Defense Research and Development Canada.
- Support industry in evaluating technologies for hydrogen transportation and underground storage. C-FER will execute industry-led projects, including those receiving funds from HCOE, using the upgraded testing capabilities.
- Advance the development and adoption of Carbon Capture and Utilization and Storage (CCUS) technologies by: proactively targeting clients who require specific services provided through existing InnoTech facilities and expertise such as demonstrating and de-risking CCUS technologies; sustaining industry competitiveness by supporting industry CCUS deployment; and supporting the creation of a domestic CCUS industry cluster while overcoming barriers for industrial adoption and reducing the cost and risk for corporate and other customer applications.
- Contribute to asphaltene-based carbon fibre development in Alberta by building InnoTech's level of expertise and infrastructure capacity. Identify opportunities to expand Bitumen Beyond Combustion (BBC) products such as asphalt binder, activated carbon, vanadium batteries, metal carbides and graphene into new markets.
- Support small innovators in the geothermal technology space by leveraging C-FER's modelling and technical expertise to advance geothermal technologies to a higher level of technical and market readiness.
- Develop necessary facilities and expertise at InnoTech to address technical gaps around hydrogen production and related technologies such as Carbon Capture and Utilization and Storage (CCUS) and methane decarbonization.
- Increase C-FER's contact with industry clients to identify high-impact project opportunities by leveraging client relationships, including the Technical Advisory Committee.
- Reduce the time needed for oil sand technologies to be deployed by accelerating the development of innovative technologies and processes. Actively engage with oil sands producers to prioritize their R&D needs and help them respond more quickly to evolving market and socio-economic conditions.
- Leverage InnoTech's data science capability to support the development and application of digital tools, specialized instrumentation, and analytics across industrial sectors where InnoTech has a strong client base.

## GOAL 3

ALBERTA'S R&I SYSTEM IS STRENGTHENED THROUGH OUR STRATEGIC PARTNERSHIPS AND COLLABORATIONS.

Objectives	KPIs	Actuals 2022–23	Targets		
			2024–25	2025–26	2026–27
<b>3.1</b> Leverage partner relationships and funding to support the R&I system in Alberta.	<b>3.1.1</b> \$ attracted to Alberta Innovates from external sources	\$51.6M	\$48.1M*	\$47.6M*	\$45M*

\* Targets are aligned to the combined budget amounts for (i) Federal Government Transfers, (ii) External Revenue and Industry Funding, and (iii) investment Income on the most recent Consolidated Statement of Operations.

### Key initiatives

- Engage in strategic partnerships that support the development of a robust R&I ecosystem in Alberta.
- Continue to maintain existing and develop new strategic partnerships and collaborations with provincial and national funders to support all areas of strategic opportunity for Alberta Innovates.
- Grow Alberta's clinical health research capacity by leveraging the province's strengths to attract investment and clinical trials to Alberta.
- Collaborate with industry to enhance our Clean Resources programming to optimize the probability of success, maximize project impacts, and enable future investment. This includes:
  - > leveraging existing relationships with groups such as Clean Resource Innovation Network, Pathways, Canadian Oilsands Innovation Alliance (COSIA), Petroleum Technology Alliance of Canada (PTAC), Battery Metals Association of Canada, Bitumen Value Enhancement Committee, and the Canadian Alliance for Net-Zero Agri-food as well as identifying new collaborations in the areas such as small modular nuclear reactors, carbon dioxide removal and climate adaptation.
- Build novel partnerships and collaborations with like-minded organizations that will support a thriving digital health ecosystem in Alberta.
- Continue to pursue joint industry projects that address issues of high interest to our industrial clients, leverage the expertise of our subsidiaries and generate economic value.
- Focus C-FER's partnership efforts on Canadian and international industry organizations that provide higher value to the subsidiary's business and have the potential to attract substantial funding for projects. This includes organizations such as Pathways Alliance/COSIA, Energy Connections Canada and Canada Nuclear Laboratories.
- Expand C-FER's relationships with other Canadian and international research organizations to leverage funding and expand industry exposure. C-FER will build relationships with research organizations such as CANMET, GTI Energy, Sandia and Carbon Management Canada to identify opportunities to develop joint project proposals.



## GOAL 4

### ROBUST STAKEHOLDER CONNECTIVITY EXISTS ACROSS ALBERTA'S INNOVATION SYSTEM.

Objectives	KPIs	Actuals 2022–23	Targets		
			2024–25	2025–26	2026–27
<b>4.1</b> Provide opportunities to strengthen the innovation journey by bringing together entrepreneurs, investors, researchers and global thought leaders.	<b>4.1.1</b> #/% of local, national and international participants attending INVENTURE\$	3,056	4,000	4,000	4,000
	<b>4.1.2</b> Total dollar value of business carried out at Inventure\$	*	\$270M	\$285M	\$300M
	<b>4.1.3</b> followers across Alberta Innovates' social media channels (incl. InnoTech Alberta and C-FER)	56,349	70,000	80,000	90,000
	<b>4.1.4</b> # of new users to of Alberta Innovates websites (including InnoTech Alberta)	222,542	225,000	250,000	275,000
<b>4.2</b> Build increased recognition and support for Alberta Innovates' value in the provincial R&I system.	<b>4.2.1</b> % of Albertans aware of Alberta Innovates	54%**	≥54%	≥56%	≥59%

\*2023–24 is baseline for data capture.

### Key initiatives

- Leverage initiatives such as the Ecosystem Development Program and Regional Innovation Networks to further build entrepreneurial and emerging technology ecosystem supports and connectivity to move innovations from development to use.
- Bring together venture capitalists, angel investors, startups, entrepreneurs and thought leaders in Calgary at Inventure\$ 2024. Inventure\$ provides opportunities for attendees to share the latest in R&I while providing platform for capital access and deal making.
- Through the Hydrogen Centre of Excellence (HCOE), showcase the opportunities to leverage hydrogen technologies. Utilize HCOE's Systems Capacity stream to support the development of non-technology related hydrogen initiatives such as the development of codes and standards and other ecosystem related activities.
- Further enhance Alberta's leadership position in digital health, including showcasing our success through stakeholder connectivity on a global scale.
- Leverage the expertise of our industry technical advisory committee to provide our subsidiaries with guidance on strategic and emerging opportunities such as cleantech developments and net zero.
- Increase national and international awareness of the expertise offered by Alberta Innovates, C-FER and InnoTech.
  - > For example, C-FER will continue to work with Edmonton Global, the Alberta Trade Commissioner Services and Global Affairs Canada to increase their understanding of the expertise and testing capabilities are available to clients.

## GOAL 5

VALUE FOR OUR ORGANIZATION AND CLIENTS IS CREATED WITH FUTURE-FOCUSED BUSINESS PRACTICES AND CONTINUOUS IMPROVEMENTS IN OPERATIONAL EXCELLENCE.

Objectives	KPIs	Actuals 2022–23	Targets		
			2024–25	2025–26	2026–27
<b>5.1</b> Build a future-focused organization grounded in continuous improvement.	<b>5.1.1</b> Cumulative % reduction in client requirements for accessing Alberta Innovates programs and services (Red Tape Reduction)	72.6%	≥60%	≥60%	≥60%
	<b>5.1.2</b> % of clients with a positive client experience	86% <sup>†</sup>	≥90%	≥90%	≥90%
<b>5.2</b> Promote a culture that attracts, engages and retains top talent.	<b>5.2.2</b> Overall employee engagement rating on biennial survey*	—*	72%	72%	72%
<b>5.3</b> Develop Equity, Diversity and Inclusion (EDI) framework for the organization to drive lasting change.	<b>5.3.1</b> % of applicants who identify as a member of a visible minority	44%	≥27.8%**	≥27.8%**	≥27.8%**

\* Data collected in Q3 of every other fiscal year. New data available for 2023–24 Annual Report

<sup>†</sup> Data collection was completed by a third party (Ipsos) using a slightly different methodology than baseline year

\*\* Target revised based on most recent Census of Canada data for visible minorities in Alberta (2021).

### Key initiatives

- Ensure Alberta Innovates is appropriately resourced and has sufficient capacity (systems, facilities, and the workforce) to meet the increasing demands and needs of stakeholders and clients.
- Implement, as part of the roll out of the Information Technology Strategy, new and integrated systems to drive internal operational efficiencies, further secure our environment, and continue to build Alberta Innovates and our subsidiaries into data-driven digital organizations to better manage and more effectively use our data to generate insights for decision making.
- Review and enhance the Leadership Development Program following completion of the first cohort. This program will advance leadership competencies relevant to our organization.
- Foster intentional recruitment strategies and opportunities grounded in principles of equity, diversity and inclusivity (EDI) that support talent attraction and builds a talent pipeline to respond to shifting business needs.
- Enhance, refine and, where possible, standardize our processes to measure and monitor the value of the investments we make through our programs and activities.
- Continue to identify opportunities that eases the ability of clients to access our programs and services, including standardizing and streamlining our processes and reducing requirements in alignment with the government's Red Tape Reduction initiative.
- Further advance our organization's culture of inclusion by exploring ways to better align our programs and services to environmental, social and governance (ESG) and EDI principles. Support Truth and Reconciliation by recognizing and acknowledging the history, heritage, diversity and contributions of First Nations, Inuit and Métis peoples of Canada.
- Build and implement a Quality Management System to identify project and operational efficiency opportunities at C-FER. This will include processes that are in compliance with ISO or other industry-recognized quality standards.

# OPERATIONS AND GOVERNANCE

## CONSOLIDATED BUDGET & STATEMENT OF OPERATIONS

THE CONSOLIDATED STATEMENT OF OPERATIONS REFLECTS THE CONSOLIDATION OF ALBERTA INNOVATES WITH ITS TWO WHOLLY OWNED SUBSIDIARY CORPORATIONS, C-FER TECHNOLOGIES (1999) INC. AND INNOTECH ALBERTA INC., ALONG WITH THE ALBERTA FOUNDATION FOR HEALTH RESEARCH.

Alberta Innovates receives budgeted revenue and expense targets from the Government of Alberta. These targets are adjusted each year for life-cycle changes in new or expiring initiatives. The funding for several of these initiatives, as well as those funded by external dollars, is restricted. This limits the flexibility within Alberta Innovates to shift funding between these initiatives and others.

### Revenue

Total budgeted revenues for Alberta Innovates in 2024–25 are \$252.4 million, an increase of approximately \$5 million over the 2023–24 budget of \$247.2 million. This increase is primarily due to the Technology and Innovation Ministry providing an additional \$5 million of base operating grant funding in each of the next three years for the Scale Up and Growth Accelerator Program.

Total budgeted revenues increase an additional \$3.8 million to \$256.2 million in 2025–26. This is primarily due to Alberta Innovates receiving additional base operating grant funding to support the implementation of the Information Technology Strategy in the amount of \$2.9 million for 2025–26 and \$4.5M for 2026–27. Alberta Innovates has identified the need to implement new and integrated applications and technology to drive internal operational efficiencies and further secure its environment, allowing the organization to better serve its clients and facilitate the growth of Alberta's research and innovation ecosystem.

Total revenues for 2026–27 are currently budgeted to be \$211.0 million. The Ministry of Technology and Innovation is providing an additional \$20 million of base operating grant funding for a three year period ending in 2025–26 for Alberta Innovates to continue with its approved budget expenditures. Additional base operating grant funding of approximately \$30 million will be required to fund the approved expenditure budget of \$244.4 million beginning in 2026–27.

External revenue and industry funding, generated primarily by our two subsidiaries InnoTech and C-FER, is projected to remain stable at \$42 million per year.

All other changes are minor and reflect small adjustments to align with the organization's portfolio and the current economic situation.

## Expenses

The expenses have been expressed in terms of Alberta Innovates business lines:

- **Research, Innovation & Commercialization:** Includes investments in Health, Clean Resources, Entrepreneurial Investments, Post-Secondary Investments & Emerging Technologies, Accelerators and Strategic Opportunities.
- **Applied Research:** Includes expenses for C-FER and InnoTech.
- **Administration:** Includes all corporate services such as finance, marketing and communications, information technology services, facilities, legal, human resources, and corporate planning and reporting. Administration serves a critical function in the Corporation by providing essential supports to the operational business lines (Research, Innovation & Commercialization and Applied Research). These corporate services enable the operational business lines to work productively and efficiently toward achieving Alberta Innovates' strategic priorities and goals. Corporate services play a direct role in advancing Alberta Innovates strategic priority to embrace the digital future, given that many of them will be leading and/or actively participating in streamlining and automating our internal processes and operations.

Total budgeted expenses remain relatively constant for 2024–25 and 2025–26 at \$254.7 million and \$257.9 million respectively. Similar to revenue, Alberta Innovates will receive an increase in budgeted expenses for the Scale Up and Growth Accelerator Program (\$5 million per year starting in 2024–25) and the Information Technology Strategy (\$2.9 million in 2025–26, \$4.5 million in 2026–27).

Total budgeted expenses decrease by \$13.5 million to \$244.4 million in 2026–27 primarily due to the Hydrogen Center of Excellence Program (\$10 million per year for four years) and the Artificial Intelligence/Machine Learning Ecosystem Initiative (\$37 million over four years) ending in 2025/26. This is offset by additional budgeted expenses under the Information Technology Strategy (\$4.5 million).

Total expenses are split into three categories – amortization, inter-governmental transfers and net operating expenses. Inter-governmental transfers are grants or contracts to other government entities that are then eliminated upon consolidation by the Government of Alberta. Net operating expenses is spending that the organization can direct to strategic priorities and operations. The net operating expense target for 2024–25 is \$186.9 million, comparable to the 2023–24 target of \$183.4 million.

	2023–24 Budget	2024–25 Budget
<b>Total Expenses</b>	\$ 252,896	\$ 254,731
Amortization	\$ (8,900)	\$ (9,639)
Inter-governmental transfers	\$ (60,610)	\$ (58,160)
<b>Net Operating Expenses</b>	<b>\$ 183,386</b>	<b>\$ 186,932</b>

# CONSOLIDATED STATEMENT OF OPERATIONS

(Dollars in Thousands)

	2022–23 Actual	2023–24 Budget	2024–25 Budget	2025–26 Budget	2026–27 Budget
<b>Revenues</b>					
Government Transfers					
Funding from Technology & Innovation					
Base Operating Grant	\$ 147,040	\$ 162,346	\$ 167,892	\$ 170,792	\$ 152,392
Strategic Relationship Grants	17,527	18,000	14,900	23,800	1,600
Deferred Grants from Prior Years	16,857	12,100	11,617	4,100	4,100
Deferred Capital Contribution	1,929	3,000	3,000	3,000	1,000
Funding from Other Government of Alberta Entities	7993	4,260	5,500	5,500	5,500
Federal Government Transfers	7,201	3,600	4,600	4,600	2,000
External Revenue and Industry Funding	41,790	42,000	42,000	42,000	42,000
Investment Income	2,621	500	1,500	1,000	1,000
Other Government of Alberta Revenue	2,137	1,426	1,426	1,426	1,426
<b>Total Revenue</b>	<b>\$ 245,095</b>	<b>\$ 247,232</b>	<b>\$ 252,435</b>	<b>\$ 256,218</b>	<b>\$ 211,018</b>
<b>Expenses</b>					
Research, Innovation and Commercialization	\$ 155,500	\$ 160,769	\$ 154,900	\$ 155,150	\$ 140,090
Applied Research	54,920	49,522	54,889	54,889	54,889
Administration	31,164	33,705	35,303	38,203	39,803
Amortization	7,248	8,900	9,639	9,641	9,644
<b>Total Expenses</b>	<b>\$ 248,832</b>	<b>\$ 252,896</b>	<b>\$ 254,731</b>	<b>\$ 257,883</b>	<b>\$ 244,426</b>
<b>Annual Deficit</b>	<b>\$ (3,737)</b>	<b>\$ (5,664)</b>	<b>\$ (2,296)</b>	<b>\$ (1,665)</b>	<b>\$ (33,408)</b>
<b>Accumulated Surplus, Beginning of Year</b>	<b>\$ 34,294</b>	<b>\$ 30,557</b>	<b>\$ 24,893</b>	<b>\$ 22,597</b>	<b>\$ 20,932</b>
<b>Accumulated Surplus (Deficit), End of Year</b>	<b>\$ 30,557</b>	<b>\$ 24,893</b>	<b>\$ 22,597</b>	<b>\$ 20,932</b>	<b>\$ (12,476)</b>



## CAPITAL PLAN AND LEASING ARRANGEMENTS

ALBERTA INNOVATES AND ITS SUBSIDIARIES OCCUPY A SIGNIFICANT INVENTORY OF RESEARCH AND OFFICE FACILITIES, MOST OF WHICH ARE OWNED AND OPERATED BY ALBERTA INFRASTRUCTURE. IN ADDITION TO THE GOVERNMENT OF ALBERTA FACILITIES, WE ALSO OCCUPY SPACE WITH COMMERCIAL LEASE ARRANGEMENTS AS SHOWN IN THE TABLE BELOW.

We currently operate across 11 locations: Edmonton (5), Calgary (3), Devon, Vegreville and Victoria, B.C., with well over 1.2 million square feet of space and 600 acres of research farmland. In addition to our facilities, we also possess a substantial inventory of research equipment with an estimated replacement asset value of well over \$180 million. Adequate infrastructure is a vital requirement to support our vision, sustain program effectiveness and manage program growth aligned to corporate and provincial priorities.

Our Facility Services team works with the Ministry of Technology and Innovation, the Ministry of Alberta Infrastructure, and Alberta Innovates Corporate Finance to offer strategic and operational support for program accommodation, capital project planning, budgeting and implementation for Alberta Innovates and its subsidiaries. The following is a table summarizing all capital categories and funding allocation over the next three years. All selected projects have gone through a stringent review process to ensure they align and support priority program requirements.

	2023–24 Budget	2024–25 Budget	2025–26 Budget	2026–27 Budget
<b>Capital Target</b>				
Capital Investment – Technology & Innovation Base Grant Funding				
Capital Maintenance and Renewal (CMR)	\$ 4,807	\$ 7,347	\$ 6,944	\$ 7,000
Clean Hydrogen Centre of Excellence	5,000	-	-	-
Installation of the Pressure Reaction Tower System at InnoTech Alberta	1,000	-	-	-
Design Development – Intermediate Scale Carbon Fibre Pilot Facility	400	-	-	-
Design Development – Larger Scale Fermentation & Support Equipment	400	-	-	-
	<b>\$ 11,607</b>	<b>\$ 7,347</b>	<b>\$ 6,944</b>	<b>\$ 7,000</b>
<b>Capital Investment – Other</b>				
Alberta Innovates Self – Financed Investment	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500
Carbon Fibre Facilities (PrairiesCan Funding) (note 1)	-	3,089	-	-
	<b>8,500</b>	<b>11,589</b>	<b>8,500</b>	<b>8,500</b>
<b>Total Capital Target</b>	<b>\$ 20,107</b>	<b>\$ 18,936</b>	<b>\$ 15,444</b>	<b>\$ 15,500</b>

Note 1 – The Carbon Fibre Facilities project was not included in the 2023–24 Budget since the PrairiesCan funding agreement was not finalized until the 4th quarter of 2023. \$5.6M of the Carbon Fibre Facilities costs are forecast to be incurred in 2023–24.

## Commercial Lease Arrangements

Location	Size	Termination Date	Scope of Operations
Victoria Group	5,030 square feet	July 31, 2028	InnoTech Alberta – Water Characterization
Edmonton Pylypow	12,925 square feet	June 30, 2024	InnoTech Alberta – Advanced Materials and Monitoring
C-FER East Pylypow	36,650 square feet	June 30, 2027	C-FER Engineering Consulting and Full-Scale Testing for C-FER's Pipelines and Structures
Edmonton Bell Tower	31,490 square feet	March 31, 2028	Alberta Innovates
Calgary AMEC Place	5,945 square feet	Lease in overhold, pending Alberta Infrastructure review	Alberta Innovates

## ENTERPRISE RISK MANAGEMENT

ALBERTA INNOVATES IS COMMITTED TO ENSURING THAT RISK MANAGEMENT PRACTICES ARE EMBEDDED IN THE DEVELOPMENT OF STRATEGIC, BUSINESS AND OPERATIONAL PLANS. THIS DRIVES CONSISTENT, EFFECTIVE AND ACCOUNTABLE ACTION AND DECISION-MAKING IN MANAGEMENT PRACTICE AND BOARD GOVERNANCE OVERSIGHT.

We have designed our risk management framework to be consistent with the practices of generally accepted global risk management standard frameworks and in alignment with the Government of Alberta's risk management framework.

Our risk management standard is based on five key principles:

1. Focus on resources and mitigation activities to address significant near-term corporate risks, with ongoing monitoring of all other identified and potential risks.
2. Commit to implementing the Enterprise Risk Management (ERM) standard in a staged fashion, allowing for continuous improvement and efficiencies.
3. Operationalize the standard across the organization through Alberta Innovates' operational, business and long-term strategic plans.
4. Administer the risk management standard in a cost-effective manner by embedding it in the corporate planning processes.
5. Commit to enhanced transparency and shared understanding between our organization and our stakeholders as to our organization's key risks and mitigation strategies.

### Key Risks

Our key risks are identified based on their potential impact and likelihood they will affect our ability to deliver on our business plan.

- **Budget Reductions and Limitations on Expenditures:** Our organization's ability to fund and transform Alberta's R&I system is adversely affected by reductions to our budget and limitations on expenditures. Our Board and Senior Management Team continue to work closely with the Ministry to minimize these impacts. Our organization's relationships with other partners and stakeholders are also leveraged to bring in additional revenue and contracts for both Alberta Innovates and our subsidiaries.
- **Resource Recruitment and Retention:** Our workforce is key to our efforts to transform the R&I system in Alberta. Limitations such as labour market conditions, budget reductions, legislative directives (including salary restraints) and other mandates can affect our ability to recruit and retain highly qualified staff and ensure we are adequately resourced to meet the needs of our stakeholders and clients. Tools such as our Employee Engagement Survey (most recently completed in Fall 2023) assist us in understanding how we can continually improve our workplace and drive our performance forward. Our brand marketing strategies also provide an effective way to continue to build and reinforce our positive reputation in the ecosystem.
- **Long-Term Investment Model & Demonstrating Impact:** Reporting complexities, competing demands on our resources – and, in some cases, longer-term investments required to advance innovation – affect our ability to fulfill our mandate and adequately demonstrate the impact of our investments within yearly budget cycles. This could potentially lead to a loss of confidence about the impacts made by Alberta Innovates. In response, we continue to maintain and build relationships with our colleagues in the Ministry. Our senior management engages in various discussions with the Government of Alberta and provides important input into several guiding strategies. We are continuously improving our processes to measure, monitor and report on the value we generate, including target-setting and more in-depth analyses.



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