

Innovate BC

2024/25
Annual Service Plan Report

August 2025



For more information on Innovate BC, please contact us at:

Four Bentall Centre, Suite 810, 1055 Dunsmuir Street, Vancouver, BC V7X 1J1

604-335-2495 or 1-800-573-0488

Or visit our website at: www.innovatebc.ca

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Board Chair's Accountability Statement



The Innovate BC 2024/25 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2024/25 – 2026/27 Service Plan published in 2024. The Board is accountable for those results as reported.

Signed on behalf of the Board by:

A handwritten signature in black ink, which appears to read "Emilie de Rosenroll".

Emilie de Rosenroll
Board Chair
August 7th, 2025

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Letter from the Board Chair & CEO

In 2024/25, Innovate BC continued its work to advance innovation across the province so that all British Columbians can benefit from a thriving, sustainable, and inclusive economy.

While continuing to deliver a wide range of programs, initiatives, and services to support innovators and businesses across British Columbia, Innovate BC also worked across the province's innovation landscape to prepare B.C. startups for Web Summit Vancouver, – one of the largest tech and innovation conferences globally, which took place in May 2025. The conference brought together thousands of international investors, tech companies, media and industries in Vancouver, offering an unprecedented platform for B.C.'s innovation community to create meaningful relationships and grow their businesses.

Notably, Innovate BC continued to fund projects through the Integrated Marketplace, further establishing the program as a platform to support B.C.-based technology companies to secure a critical reference customer (a current customer that can validate a solution or company in support of acquiring new buyers) and grow their business. In addition, the Program helped strengthen key provincial industries such as transportation and healthcare through de-risking the adoption of new innovations that allow them to remain competitive. The program, which landed within 0.1 percent of budget target for the fiscal year 2024/25, also supports government priorities, including increasing jobs and operational efficiency, reducing emissions, and more.

Innovate BC also received additional funding from the Ministry of Agriculture and Food to support the third intake of the B.C. On-Farm Technology Adoption Program, which helps eligible B.C. farmers to adopt new technologies that can enhance their profitability, productivity, and efficiency. Innovate BC also announced and delivered the Heavy Duty Zero Emission Vehicle (HDZEV) project on behalf of both the Ministry of Transportation and Transit and Transport Canada, which is testing and exploring the adoption of low-emission trucks in Prince Rupert to reduce risk around further adoption in the province.

Innovate BC continued the delivery of its Ignite and B.C. Fast Pilot programs, which award funding to high-impact innovation projects in B.C. And, as part of the Province of British Columbia's Intellectual Property (IP) Strategy, Innovate BC developed and launched the [IP Hub](#), a comprehensive online platform designed to support B.C. entrepreneurs and businesses with accessing IP-related resources and developing an effective IP strategy.

Leading up to Web Summit Vancouver 2025, Innovate BC supported B.C.-based businesses and the innovation ecosystem through our Road to Web Summit Vancouver programming, delivering over 40 events with the support of key partners across the province and reaching over 900 companies.

Through collaborative efforts and partnerships with the Ministry of Jobs, Economic Development and Innovation¹, as well as Pacific Economic Development Canada (PacifiCan), Innovate BC played a key role in ensuring a successful Web Summit Vancouver for 2025 and looks forward to the next two years of Web Summit hosted in Vancouver in 2026 and 2027.



Emilie de Rosenroll
Board Chair
August 7, 2025



Peter Cowan, P.Eng, MBA, LL.M
President & CEO
August 7, 2025

¹ On July 17, 2025, the Ministry of Jobs, Economic Development and Innovation was renamed the Ministry of Jobs and Economic Growth.

Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the Budget Transparency and Accountability Act (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

Strategic Direction

The strategic direction set by Government in 2020 and expanded upon in the [2023 Mandate Letter](#) from the Minister Responsible shaped the goals, objectives, performance measures and financial plan outlined in the [2024/25 – 2026/27 Service Plan](#) and the actual results reported on in this annual report.

Purpose of the Organization

The Government of British Columbia has mandated Innovate BC to nurture and support technology and innovation to add value across all sectors of the provincial economy. As such, Innovate BC is a critical part of the Province's strategy for realizing its long-term economic vision. In alignment with Government's strategic direction, Innovate BC will continue to foster technology and innovation throughout the province to help build a thriving, sustainable and inclusive economy. Innovate BC's activities are enabled by the [Innovate BC Act](#).

As outlined in the 2023 Mandate Letter from the Minister of Jobs, Economic Development and Innovation, Innovate BC will continue to:

- Provide input into Government's development of technology and innovation policy, particularly related to technology adoption and scale up.
- In alignment with Government's strategic direction, continue to build and maintain strategic partnerships with technology and innovation stakeholders, particularly with industry and other adopters of technology.
- Continue to develop and deliver tools, resources, expert guidance, programs, and initiatives that increase company growth, accelerate technology commercialization, adoption, diffusion and export, and support job creation, ensuring that the benefits of technology and innovation are felt around the province, inclusive of under-represented groups including IBPOC (Indigenous, Black and People of Colour), and rural and northern communities.
- Provide options on how to support the BC Fast Pilot program (a program that assists BC businesses to secure their first paying customer)

Operating Environment

Innovate BC operates with support of its primary funder, the Ministry of Jobs, Economic Development and Innovation (Ministry). Fostering innovation across our economy is a mission of the StrongerBC Economic Plan. Innovate BC works with all levels of government, the private sector, non-government organizations (NGOs), post-secondary institutions and others to foster innovation to enable British Columbians in all regions of the province to benefit from an inclusive, sustainable, and innovative economy that works for people.

To that end, Innovate BC is continuing to respond to government priorities and B.C.'s changing economic landscape. Innovate BC's strategic plan is grounded in its aspiration to be a catalyst for making B.C. a global innovation leader by strengthening B.C.'s innovation ecosystem across all regions of the province. It will seek to do so by increasing the innovative capacities of B.C.'s industries, businesses, and communities; fostering connectivity across the innovation ecosystem; informing and influencing government innovation policy; and growing the profile and awareness of Innovate BC's programs and partnerships.

Connecting industry, businesses, NGOs, and government with innovators, including the province's post-secondary institutions, is critical to strengthening B.C.'s economy. Innovate BC plays a key role in forging these mutually beneficial relationships to expand B.C.'s innovative capacities and create new market opportunities.

Rising costs, economic uncertainty, and geopolitical turmoil are posing challenges for B.C. businesses. In addition, talent shortages across different industries continue to make it difficult for employers to find skilled workers to support day-to-day operations and growth. The B.C. Labour Market Outlook: 2022 Edition indicates that the professional, scientific and technical service industries will make up 15 percent (148,000) of the total number of job openings in B.C. over the next 10 years. This industry is one of the fastest growing industries in B.C., growing at 2.7 percent per year as a result of increasing reliance on digital technologies. As a skilled labour force is required to meet the growing need for technology-related jobs and to ensure a thriving innovation economy, Innovate BC continues to create opportunities to support B.C. companies facing skills shortages, enabling them to grow and be successful.

In addition to talent shortages across all business sectors, there is also a critical need to further diversify the tech sector within the province, as people from Indigenous and other marginalized communities continue to be underrepresented. According to the TAP Network's 2024 Diversity in Tech Dashboard², there is significant opportunity to increase representation of underrepresented groups in the tech sector, where representation of Indigenous peoples is 0.8 percent, people with disabilities 5.2 percent, and women 38.6 percent. Innovate BC will work to create opportunities for equity-deserving groups to enter, grow within and contribute to the innovation ecosystem.

² The [Diversity in Tech Dashboard](#) provides an annual benchmark for Canada's tech sector to track its progress on increasing the representation and inclusion of equity-deserving groups within the sector over time. Data on the diversity of the current Canadian technology employee population is collected by TAP Network members through a confidential employee self-reporting process.

B.C. innovators continue to struggle to engage national and global markets, often due to their inability to earn critical early customers that can validate their solutions. At the same time, local industries lack an effective means to identifying and purchasing B.C.-made technologies. Innovate BC is addressing these needs by delivering programs where industry entities can be matched with domestic innovation and solutions, often focused in areas such as cleantech.

Lastly, there is a significant opportunity to introduce more comprehensive support and education around intellectual property for businesses and innovators in the province. Innovate BC, with the help of its partners, continues to work to aid B.C. businesses by creating and delivering IP-based resources for innovators to help protect and grow their ideas to engage in global markets.

Economic Statement

After several years of strong growth, economic activity in British Columbia moderated in 2024 amid high interest rates, persistent price pressures, and ongoing global economic uncertainty. B.C.'s real GDP increased by 1.2 percent in 2024 and ranked 8th (tied with Ontario) among the provinces following growth of 2.4 percent in 2023. Last year, economic growth was driven by B.C.'s service-producing industries such as real estate, rental and leasing; health care and social assistance services; transportation and warehousing; public administration; and educational services. Output for goods-producing industries declined in 2024 due to lower construction and manufacturing activity, which was partly offset by growth in the mining, quarrying and oil and gas extraction; utilities; and agriculture, forestry, fishing and hunting sectors.

B.C.'s labour market continued to expand in 2024. Employment in B.C. increased by 66,100 jobs (+2.3 percent), supported by high immigration, and wages and salaries rose by 6.3 percent cent. B.C.'s unemployment rate averaged 5.6 percent cent in 2024, up from 5.2 percent in 2023 as strong population and labour force growth outpaced job gains. Elevated interest rates, rising construction costs, and ongoing labour shortages weighed on the construction sector last year. Housing starts totaled 45,828 units in 2024, down 9.2 percent from the record high in 2023, but remained above the ten-year historical average. B.C. home sales increased by 2.1 percent and the average home sale price increased by 1.0 percent compared to 2023. Price pressures in B.C. continued to broadly moderate last year, but shelter price growth remained elevated. Overall, B.C.'s inflation rate averaged 2.6 percent in 2024, down from 3.9 percent in 2023. Despite strong population growth, nominal retail sales increased by just 0.6 percent in 2024, following a 0.1 percent decline in 2023. On the trade front, weak global demand and lower commodity prices (primarily natural gas and coal prices) last year contributed to a 2.7 percent decline in B.C.'s merchandise exports relative to 2023 despite increased exports to non-U.S. destinations including China, South Korea, and Australia.

Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2024/25 – 2026/27 service plan. For forward-looking planning information, including current and future performance targets, please see the [latest service plan](#).

Goal 1: B.C. is a Leader in Bringing Sustainable Innovations to Market

Objective 1.1: Facilitate the Development, Adoption and Scaling of Innovative Solutions.

Commercialization is a process that takes a technology, creates a business around it, and introduces the new product or service to the market. Innovate BC's objective of facilitating the development and commercialization of B.C. innovative technologies across industry sectors is supported by a range of strategies and initiatives, including matching innovators with industry buyers, outreach to understand market challenges, a network of acceleration programs, and funding research projects. These efforts will support innovators in getting B.C.-made innovative solutions to market while also enhancing the productivity and competitiveness of the industries that are adopting those solutions.

Key results

- Delivered \$1.5 million in pre-commercial funding to 12 B.C. companies through the B.C. Fast Pilot program, in partnership with National Research Council Industrial Research Assistance Program (NRC IRAP).
- Awarded \$1.5 million in funding through the Ignite Program to support five B.C.-based research and development projects across engineering, applied resources, life sciences, and advanced health.
- Announced the Provincial Health Services Authority (PHSA) as the fourth testbed for the Integrated Marketplace program. As of March 31, 2025, the Provincial funding totalling \$11.5 million has been fully allocated.
- Delivered the B.C. On-Farm Technology Adoption Program on behalf of the Ministry of Agriculture and Food, providing funding to eligible B.C. farm operators to support them in adopting new technologies that will help them increase production, efficiency and profitability.
- Delivered the HDZEV project on behalf of the Ministry of Transportation and Transit and Transport Canada, providing project management and funding to eligible project partners. Innovate BC supported the adoption of new technologies that facilitate the

reduction of greenhouse gas emissions and generate performance data that will de-risk these technologies for other fleet operators in the province.

Summary of progress made in 2024/25

The Integrated Marketplace program continued into its third year and saw the launch of its fourth testbed in the PHSA, as well as progress across the previously announced Vancouver International Airport, Port of Prince Rupert, and Port of Vancouver testbeds. During this period, projects across all the testbeds were announced, including the A&K Robotics mobility pods being tested at the Vancouver International Airport, MarineLabs' CoastAware weather intelligence in the Port of Prince Rupert and Port of Vancouver, and the digital pathology reference architecture projects in the PHSA testbed. The Health Testbed hosted by PHSA is a critical platform for supporting the adoption of digital pathology innovation, among other innovations, developed within B.C.'s rich life sciences ecosystem, and addresses the priority areas for the Province including health and safety, decarbonization, and competitiveness.

Through the B.C. Fast Pilot program, in partnership with National Research Council Industrial Research Assistance Program (NRC IRAP), Innovate BC supported pilot projects that are advancing cleantech innovations that contribute to a more sustainable and greener British Columbia while strengthening the province's cleantech ecosystem.

The B.C. On-Farm Technology Adoption Program, delivered through the Integrated Marketplace office in collaboration with the Ministry of Agriculture and Food, was expanded to include additional funding for the second intake in 2024/25 and added a third intake in 2025/26 fiscal years, respectively. The program, which provides funding assistance to B.C. farmers so they can access labour-saving technologies and innovations, provides up to \$6.4 million over three years from the Governments of Canada and B.C.

The HDZEV project completed its first year and expanded through additional funding from the Ministry of Energy and Climate Solutions to add new clean technologies along a main transportation corridor in northern B.C. The program de-risks adoption of clean technologies in four communities in the north including Prince Rupert, Terrace, Kitimat, and Prince George.

Performance measure(s) and related discussion

Performance Measure	2023/24 Baseline	2023/24 Actual	2024/25 Target	2024/25 Actual
[1a] Percentage of Innovate BC program participants that acquired new customers and/or new revenue as a result of participation in the program ^{1,3}	2023/24 establishing baseline	71%	50% or Baseline+1%, whichever is greater	69%
[1b] The percentage of program participants that report Innovate BC's programs helped advance their technology development and/or their technology adoption. ^{2,4}	2023/24 establishing baseline	81%	50% or Baseline+1%, whichever is greater	87%

¹Data source: Progress and/or final reports from program partners and/or program participants of the Ignite, B.C. Fast Pilot, Integrated Marketplace, B.C. On-Farm Technology Adoption, New Ventures BC Competition, and VAP (excluding idea-, discovery-, and validation-stage companies) programs.

²Data source: Progress reports from program partners and/or program participants. Program participants rate the programs high value impact on a 10-point scale. The responses are converted to the percentage that rate the program 7 or more on a 10-point scale.

³PM 1a targets for 2025/26 and 2026/27 were stated in the 2024/25 service plan as 2024/25+3% and 2025/26+5%, respectively.

⁴PM 1b targets for 2025/26 and 2026/27 were stated in the 2024/25 service plan as 2024/25+3% and 2025/26+5%, respectively.

For performance measure 1a, 69 percent of participants reported that they acquired new customers and/or new revenue through Innovate BC direct programs (delivered by Innovate BC) or indirect programs (delivered by third party entities on behalf of Innovate BC). A number of variables outside of the control of Innovate BC, including global economic and political uncertainty, effect the ability of companies to acquire new customers. Although the target of 72 percent was not met, the result (69 percent) provides the resulting outcome provides a strong indication of program effectiveness . It is also important to note the 2024/25 results do not fully capture the broader impact of indirect program offerings delivered through third parties (e.g., VAP, Ignite), where support often contributes to product development or market readiness improvements, which in the longer term contributes to customer acquisition or new revenue, but beyond the program reporting window.

The 82 percent target for performance measure 1b was successfully achieved as planned, with 87 percent of participants reporting that Innovate BC's programs helped them advance their technology development and/or their technology adoption.

Goal 2: B.C. Technology and Innovation Companies are Able to Start, Grow and Scale in B.C.

Objective 2.1: Deliver Programs and Services that Build Capacity and Enhance Skills Development.

Innovate BC and its partners deliver programs that train entrepreneurs start companies, connect with experts and validate their markets. In addition, Innovate BC provides high-potential companies with enhanced support and training to build internal capacity, including mentorship and skills development workshops, and connections to capital, new market opportunities and talent. Through programs that encourage company growth and expansion, Innovate BC aims to drive sustainable company growth and competitiveness, while ensuring the benefits of this growth are felt in all regions of the province.

Key results

- Through the CRM Horizons Program, delivered in partnership with Alacrity Canada, 309 B.C. businesses were supported in adopting CRM systems via self-guided training or expert-advised implementation.
- The Venture Acceleration Program, funded by Innovate BC and delivered through a provincewide partner network, provided mentorship and market validation training to 309 small and medium sized enterprises (SMEs).
- Innovate BC funded the annual New Ventures B.C. Pitch Competition, which activated over 200 B.C. businesses through focused seminars, mentor panels and events. Seminars and training delivered included IP education, pitching practice, corporate structure and investment readiness. The competition saw 25 companies competing through their pitching skills to win up to \$250,000 in non-dilutive cash prizes (non-dilutive funding is financial capital a business receives without having to give up ownership or equity in the company).
- Innovate BC delivered on several initiatives and resources relating to expanding IP capacities for B.C. companies, including the development of a free digital IP Hub tool and several programs including AccelerateIP in collaboration with New Ventures BC and IP Assist.
- In support of the arrival of Web Summit Vancouver, Innovate BC led a comprehensive sector development initiative called Road to Web Summit Vancouver to help B.C. startups prepare for and maximize their experience at the conference. The initiative was a multi-month campaign with specialized events and programming, led by Innovate BC and in collaboration with key regional and ecosystem drivers, that offered startups training and support around pitching, media engagement and business growth. The campaign held a total of 42 events delivered by Innovate BC and partners across the province, with 835 total companies attending Innovate BC's four primary events.

Summary of progress made in 2024/25

Innovate BC made significant progress across multiple programs aimed at strengthening the province's innovation ecosystem. Through partnership with Alacrity Canada, the CRM Horizons Program supported B.C. businesses with the training and adoption of customer relationship management (CRM) systems with two distinct streams. In stream one, companies complete a self-guided course to learn how to launch and leverage CRM systems. In stream two, companies are matched with an expert CRM advisor and receive a custom CRM implementation plan. Since launching in fiscal 2024/25, the program has supported 309 B.C. businesses.

To bolster investment readiness and entrepreneurial skills, Innovate BC funded the New Ventures B.C. Pitch Competition, engaging over 200 businesses through training seminars and offering up to \$250,000 in non-dilutive cash prizes. As part of the Province of B.C.'s IP [Strategy](#), Innovate BC worked to develop a new [IP Hub](#) digital platform to support B.C. entrepreneurs in developing their understanding of IP and support implementation of an effective IP strategy to help grow their business. A pilot was launched on February 27, 2025. Innovate BC and New Ventures BC delivered the IP Pathways program, which helps startups and scaleups gain knowledge and actionable insights to align IP strategy and business strategy, and in 2024/25 the program served 129 participants in B.C. Innovate BC is also the prime collaborator of the AccelerateIP program, led by New Ventures BC. In 2024/25 Innovate BC developed its Train the Mentor Strategy to support New Ventures BC in the delivery of the program. Lastly, Innovate BC delivered IP Assist, a program funded by NRC IRAP, connecting 82 NRC IRAP clients to service providers for IP awareness and strategy.

Performance measure(s) and related discussion

Performance Measure	2023/24 Baseline	2023/24 Actual	2024/25 Target	2024/25 Actual
[2a] The percentage of program participants that report Innovate BC programs had a significant impact on increasing their business' IP awareness and/or activity. ^{1, 3}	2023/24 establishing baseline	76%	50% or Baseline+1% , whichever is greater	77%
[2b] The percentage of participants who report that Innovate BC programs helped to advance their business and/or technology skills ^{2, 4}	2023/24 establishing baseline	92%	87% or Baseline+1% , whichever is greater	83%

¹ Data Source: This measure is based on participant surveys and presents the percentage of companies in Innovate BC IP-related programs that provided a rating of 7 or more on a 10-point scale.

² Data source: Progress reports from program partners and/or program participants. This measure is based on participant survey responses of 7 or more on a 10-point evaluation scale.

³ PM 2a targets for 2025/26 and 2026/27 were stated in the 2024/25 service plan as 2024/25+3% and 2025/26+5%, respectively.

⁴ PM 2b targets for 2025/26 and 2026/27 were stated in the 2024/25 service plan as 2024/25+3% and 2025/26+5%, respectively.

For performance measure 2a, the target was set at 77 percent, and it was successfully met, with 77 percent of program participants reporting that Innovate BC programs had an impact on increasing their business' IP awareness and/or activity.

For performance measure 2b, 83 percent of participants reported that Innovate BC programs helped them advance their business and/or technology skills. This highlights the effectiveness of our programs. However, the result is slightly below our anticipated target of 93 percent. The target was set higher than typical expectations due to the inclusion of the Innovate BC Innovator Skills Initiative (ISI), a program that consistently produced exceptionally strong participant feedback and skewed past performance and baseline results upward. However, ISI was not extended in Fiscal Year 2024/25, which impacted overall performance.

Performance Measure	2023/24 Actual	2024/25 Target	2024/25 Actual
[2c] The percentage of Innovate BC program participants that generated revenue, jobs and/or investment. ^{1,2}	85%	70%	86%

¹ Data source: Progress and final reports from program partners and/or program participants. This measure is based on the percentage of total companies in Innovate BC programs that generated jobs, revenue and/or investment.

² As stated in the 2025/26 service plan, PM 2c will be removed in future reports to reduce redundancy as the tracked metrics are already reflected in performance measures for Goal 1.

Performance measure 2c was successfully met, with 86 percent of Innovate BC program participants generating revenue, jobs, and/or investment versus the target of 70 percent.

Goal 3: B.C. has a Resilient and Inclusive Technology and Innovation Workforce

Objective 3.1: Develop and Support Initiatives that Enhance Representation of Various Demographics in B.C.'s Tech Sector.

Innovate BC works with its program partners, including accelerators and post-secondary institutions, to mentor entrepreneurs and support young professionals and individuals from underrepresented groups. Through sponsorships and program collaboration, Innovate BC supports initiatives and events that benefit underrepresented communities or have a focus on diversity, equity and inclusion. Efforts to develop the province's tech talent pool, including putting a focus on diversifying the sector, will work to address the identified shortage of available talent within the province while also strengthening B.C.'s larger innovation ecosystem.

Key results

- Delivered the HDZEV project on behalf of the Ministry of Transportation and Transit and Transport Canada providing project management and funding to eligible project partners.
- Through its sponsorship program, Innovate BC has continued its support of TAP Network's Diversity in Tech Dashboard tool which benchmarks the representation of various demographic groups within Canada's tech sector.
- Innovate BC partnered with Indigenext – an Indigenous-led, not-for-profit that helps community focussed Indigenous entrepreneurs build successful businesses – to deliver a specialized cohort through its Market Validation Training content.

Summary of progress made in 2024/25

HDZEV completed its first year of project work delivered through the Integrated Marketplace program. The project supported Gat Leedm Logistics in Prince Rupert to procure and operationalize four zero emission class 7 and 8 trucks. Innovate BC has partnered with Gat Leedm Logistics Ltd. owned by the Metlakatla First Nation to adopt new clean transportation technologies that facilitate the reduction of greenhouse gas emissions and generate performance data that will de-risk these technologies for other fleet operators in the province. In addition to adoption, the project aims to upskill the workforce of highly skilled operators for these new innovative technologies.

Through a special partnership with Innovate BC, Indigenext delivered a tailored program designed to help participating Indigenous entrepreneurs build practical skills to help them develop and grow their business. Participants received personalized support to refine their business models, test their ideas in real-world conditions, and build early prototypes. The founders also gained access to tools to strengthen their digital capabilities, explored

opportunities to secure funding, and connected with a network of like-minded peers and mentors – all vital components to building a strong foundation for growth and success.

The Innovator Skills Initiative program, which focused on supporting equity-deserving individuals in tech was not extended in 2024/25, impacting the results for this performance measure.

Performance measure(s) and related discussion

Performance Measure	2023/24 Actual	2024/25 Target	2024/25 Actual
[3a] The percentage of program participants who identify as underrepresented ^{1,2}	79%	30% or Baseline+1%, whichever is greater ³	67%

¹Data Source: Program applications (e.g., entrepreneur/founder, or interns through a talent placement) and reports from program partners and/or participants.

²PM 3a targets for 2025/26 and 2026/27 were stated in the 2024/25 service plan as 2024/25+3% and 2025/26+5% respectively.

³As mentioned in the 2025/26 service plan, the target for performance measure 3a in 2024/25 has been adjusted from “30% or Baseline+1%, whichever is greater” (in the 2024/25 service plan) to 52% to reflect accounting of specific programs in the data source where programs were materially adjusted, discontinued, or not extended due to funding or market changes.

Targets for performance measure 3a have been adjusted as the Innovator Skills Initiative program, which focused on supporting equity-deserving individuals in tech, concluded in 2024/25. As mentioned in the 2025/26 service plan, the target for performance measure 3a in 2024/25 was adjusted from “30 percent or Baseline+1 percent, whichever is greater” (in the 2024/25 service plan) to 52 percent. Particularly, the 52 percent figure was set based on the assumptions that: (1) Innovator Skills Initiative program (as a contributing data factor, for which all participants identified as underrepresented) concluded in 2024/25, and (2) all other programs continue to support participants who identify as underrepresented at a percentage no less than 1 percent higher than that of the previous year (2023/24). Future targets have been further adjusted to better reflect current demographics within the Canadian tech sector, as detailed by TAP Network’s 2024 Diversity in Tech Dashboard which is a dataset collected from almost 200 surveyed Canadian tech companies. This data has been matched against Innovate BC’s current slate of programming and partnerships which could contribute to this performance measure.

As shown in the table above, performance measure 3a was successfully achieved, with 67 percent of Innovate BC program participants identifying as underrepresented, exceeding the target of 52 percent.

Financial Report

For the auditor's report and audited financial statements, see [Appendix B](#). These documents can also be found on the Innovate BC website.

Discussion of Results

Innovate BC's core operations and activities are funded by the Province of B.C. through the Ministry of Jobs, Economic Development and Innovation's (JEDI) contributions of \$6.4 million. With these funds, Innovate BC continued to leverage partnerships across the province to develop and deliver programs that meet its mandate. To deliver the best returns on investments, Innovate BC's partners are encouraged to leverage other public and private funding sources to gain additional sources of revenue.

In 2022/23, the Province of British Columbia provided Innovate BC with a three-year contribution agreement totalling \$10.0 million to deliver the Integrated Marketplace (IM). IM enables Innovate BC to facilitate commercial adoption and scale up of innovative technology solutions related to emissions reductions, increases to productivity and efficiency, and enhancements in health and safety. The contribution agreement was amended in 2024/25 to provide \$2.5 million in additional funding for the HDZEV project, funded by the Ministry of Transportation and Transport (MOTT) and Transport Canada.

In 2022/23, the Government of Canada, through Pacific Economic Development Canada, also provided Innovate BC \$9.9 million in funding to deliver IM, with an additional award of \$1.8 million granted in 2024/25. Innovate BC received \$520,000 under the two agreements between fiscal years 2022/23 to 2023/24, \$7.0 million in 2024/25 and will receive \$4.1 million in 2025/26.

In 2023/24, the Province of British Columbia provided Innovate BC funding to deliver the B.C. On-Farm Technology Adoption Program to strengthen B.C.'s agriculture sector through the adoption of new technology. The program is led by the Ministry of Agriculture and Food and spans from 2023/24 to 2025/26. Innovate BC received \$2.2 million for this program in 2024/25 and will receive \$2.4 million in 2025/26.

In 2023/24, the Province of British Columbia provided Innovate BC with a three-year contribution agreement for \$4.1 million to deliver the CRM Horizons Bootcamp program in partnership with Alacrity Canada to support innovation and business development in the technology sector. Innovate BC received \$1.3 million for this program in 2024/25 and will receive \$1.3 million in 2025/26.

In 2024/25, the Province of British Columbia provided Innovate BC with two new program funding agreements:

- \$0.5 million for the Northern B.C. Clean Energy Corridor Program to support the research and development of clean energy pilot projects; and

- \$1.1 million for Web Summit Vancouver (WSV) – Tech Ecosystem Business Development to support activities for upcoming WSV events.

In 2024/25, Innovate BC received \$0.5 million from the Government of Canada through the NRC IRAP for the IP Assist program. The IP Assist program promotes the development and adoption of technology by SMEs in Canada to stimulate wealth creation through technological innovation.

A summary of Innovate BC's financial results is presented in the Financial Summary section. This financial information was prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Financial Summary

(\$000s)	2023/24 Actual	2024/25 Budget (Note 2)	2024/25 Actual	2024/25 Variance
Revenues				
By Major Sources				
Province of British Columbia	18,160	12,794	17,981	5,187
Federal Government	823	9,380	7,547	(1,833)
Federal Government Service Revenue	18	-	686	686
NRAS Endowment (Note 3)	1,843	1,700	1,275	(425)
Other Income & Recoveries	1,102	520	879	359
Total Revenue	21,946	24,394	28,368	3,974
Expenses (Note 4)				
Programs and Initiatives	15,981	17,812	22,327	4,515
NRAS Endowment (Note 3)	1,773	1,600	1,197	(403)
Salaries and Benefits	3,060	3,700	3,538	(162)
Rent	385	390	370	(20)
Amortization	51	40	51	11
Operational & Administrative Expenses	677	852	846	(6)
Total Expenses	21,927	24,394	28,329	3,935
Annual Surplus	19	-	39	39
Total Liabilities (Note 5)	8,197	-	13,259	13,259
Capital Expenditures	74	50	568	518
Accumulated Surplus (Note 6)	58,368	55,490	60,366	4,876

Note 1: The above financial information was prepared based Public Sector Accounting Standards (PSAS) and section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia. When expenses support a range of service delivery activities, they are allocated to those service activities.

Note 2: Budget figures are based on Innovate BC's 2024/25-2026/27 Service Plan.

Note 3: For a breakdown of the NRAS Endowment, see Audited Financial Statements – (Note 7), Natural Resources and Applied Science Research Endowment.

Note 4: For a detailed breakdown of expenses, see Audited Financial Statements – (Note 13), Expenses by Object.

Note 5: Liabilities were not budgeted for 2024/25 as was the presentation in the 2023/24 Annual Service Plan Report. In 2024/25, the liabilities of \$13.259 million was comprised of \$6.56 million in accounts payable and accrued liabilities and \$6.699 million in deferred program revenues.

Note 6: Accumulated Surplus increased by \$4.876 million mainly due to remeasurement gains. See Audited Financial Statements (Note 5), Accumulated Surplus

Variance and Trend Analysis

Innovate BC's actual revenue totalled \$28.4 million in 2024/25, which is \$4 million more than the budget. The major changes reflect provincial and federal funding as well as interest and other revenues.

The \$5.2 million variance from the Province of British Columbia was a result of additional funding received in 2024/25 for programs that were not budgeted. The \$5.2 million variance is broken down as follows: \$2.45 million was received from MOTT for the HDZEV project, \$1.2 million was received from the Ministry of Agriculture and Food as additional funding for the B.C. On-Farm Technology program, \$1.1 million was received from JEDI for Web Summit Vancouver - Tech Ecosystem Business Development, and \$0.5 million was received from the Clean Energy and Major Projects Office for the Northern B.C. Clean Energy Corridor Program.

Revenues from the Government of Canada decreased by \$1.8 million from the budgeted amount in 2024/25 mainly due to re-profiling some funding for IM to 2025/26.

Service revenues from the Government of Canada increased by \$0.7 million due to the Transport Canada contract for the ZEV project.

NRAS Endowment revenue decreased due to awards that were covered by unrestricted funding. The costs of administering the NRAS Endowment are included under the Salaries and Benefits expense category.

Other income and recoveries increased mainly due to high interest rates during the year on cash and cash equivalents and for the delivery of additional programs in partnership with New Ventures BC Society (Accelerate IP) and Destination Vancouver (Web Summit Vancouver).

Salaries and benefits are lower than budgeted due to unfulfilled vacancies during part of the year as well as maternity and parental leaves.

Accumulated surplus increased due to accumulated remeasurement gains. Remeasurement gains are unrealized gains in the value of the NRAS Endowment.

Risks and Uncertainties

Innovate BC's programs are primarily funded by core funding from the Province of B.C. with the organization aligning its funding to programs that meet its mandate. Additional programs funded by the Province of B.C. are short term programs that span one to three years.

Funding from the Federal Government is uncertain.

Interest returns on investments increased in the current year. Future interest returns are unknown.

The success of Innovate BC is dependent on the abilities, experience, efforts and knowledge of its senior management and other key personnel. The organization may not be able to attract and retain additional qualified personnel as needed in the future.

Innovate BC continues to work to secure additional funding from the federal government and other sources.

Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2021/22 and 2023 Mandate Letters from the Minister Responsible.

2021/22 Mandate Letter Priority	Status as of March 31, 2025
Provide input into Government's development of technology and innovation policies, particularly those related to program development.	<ul style="list-style-type: none"> Initial actions and recommendations to address this priority were undertaken in 2021. For a detailed update on progress and impact, please refer to the related priority in the 2023 Mandate Letter table below.
Build and maintain strategic partnerships with technology and innovation stakeholders in industry, academia, and other governments across all regions.	<ul style="list-style-type: none"> Initial actions and recommendations to address this priority were undertaken in 2021. For a detailed update on progress and impact, please refer to the related priority in the 2023 Mandate Letter table below.
Develop and deliver tools, resources, expert guidance, programs and initiatives that strengthen entrepreneurship development, increase company growth, accelerate technology commercialization, adoption and diffusion, and support job creation, ensuring that the benefits of technology and innovation are felt throughout the province, inclusive of Indigenous and other underrepresented groups and of rural and northern communities.	<ul style="list-style-type: none"> Initial actions and recommendations to address this priority were undertaken in 2021. For a detailed update on progress and impact, please refer to the related priority in the 2023 Mandate Letter table below.

2021/22 Mandate Letter Priority	Status as of March 31, 2025
<p>In collaboration with the Ministry of Jobs, Economic Development and Innovation and key partners, support the continued development of a Provincial vision for innovation.</p>	<ul style="list-style-type: none"> • Collaborated with two partners to collect and analyze data, producing a series of reports to support the Province's economic, environmental, and social priorities. • Engaged with the Ministry in the development and expansion of programs and strategies, including the Integrated Marketplace and IP strategy, designed to support B.C. innovators and the broader innovation ecosystem. • Supported the planning and coordination to bring Web Summit to British Columbia, including developing a comprehensive sector development initiative to enhance opportunities for B.C. innovators and equip them to leverage the event's global platform.
<p>Provide options on how to support the B.C. Fast Pilot program (a program that assists B.C. businesses to secure their first customer).</p>	<ul style="list-style-type: none"> • Initial actions and recommendations to address this priority were undertaken in 2021. For a detailed update on progress and impact, please refer to the related priority in the 2023 Mandate Letter table below.
<p>Provide options on how to support work placements (i.e. Tech Co-op Grant Program and Innovator Skills Initiative) to prioritize placements for women, Indigenous people, people of colour and others currently underrepresented in BC's tech sector, including baseline data on current representation</p>	<ul style="list-style-type: none"> • Since 2021, 3683 micro-grants have been provided under the Innovator Skills Initiative, prioritizing placements for indigenous employees and employees who self-identify in underrepresented groups. Approximately 75% of participant employees reported continuing employment in a tech related role or company after their work placement.
<p>Work with the Province, the post secondary system, industry and other private sector training providers to identify strategies and an implementation plan for British Columbians to pursue online courses to re-skill for the digital economy.</p>	<ul style="list-style-type: none"> • Funded and supported the launch of a CRM bootcamp program that educates employers on how to leverage CRM systems and connects them with expert CRM advisors. A total of 492 BC companies have engaged with the program

2021/22 Mandate Letter Priority	Status as of March 31, 2025
<p>Continue supporting commercialization and adoption of tech solutions that support key industries in B.C.</p>	<ul style="list-style-type: none"> • Innovate BC delivered the Ignite Program, which provides funding to accelerate the commercialization of new technologies and innovations in the natural resources and applied sciences sectors. • In collaboration with the Province, Innovate BC continued the delivery of the Integrated Marketplace program to help drive the adoption of domestic innovations related to greenhouse gas reduction, increasing efficiency/productivity, and ensuring safety. Current partnering industries include transportation (YVR), healthcare (PHSA) and ports (Vancouver Fraser Port Authority, Prince Rupert Port Authority)
<p>Support Government in the implementation of strategic initiatives identified throughout the year that leverage technology and innovation to support economic recovery.</p>	<ul style="list-style-type: none"> • Continued delivery of the Integrated Marketplace initiative to help drive the adoption of domestic innovations related to greenhouse gas reduction, increasing efficiency/productivity, and ensuring safety. • Delivered on several initiatives, programs and resources relating to expanding IP capacities for B.C. companies.

2023 Mandate Letter Priority	Status as of March 31, 2025
<p>Provide input into Government’s development of technology and innovation policy, particularly related to technology adoption and scale up.</p>	<ul style="list-style-type: none"> • In 2024/25, Innovate BC worked to support the province’s IP Strategy as a provincial priority with the development of the IP Hub and continued successful delivery of IP programming designed to support B.C. businesses enhance their IP comprehension and strategy. • Additionally, Innovate BC played a large role in convening the province’s tech and innovation ecosystem around developing and attracting new opportunities relating to artificial intelligence in support of businesses and entrepreneurs.

2023 Mandate Letter Priority	Status as of March 31, 2025
<p>In alignment with Government’s strategic direction, continue to build and maintain strategic partnerships with technology and innovation stakeholders, particularly with industry and other adopters of technology.</p>	<ul style="list-style-type: none"> • In 2024/25, Innovate BC worked in collaboration with government, industry, the innovation ecosystem and B.C. businesses to support the arrival of Web Summit Vancouver. Through this period, Innovate BC collaborated with ecosystem partners across the province to support B.C. startups in the lead-up to Web Summit Vancouver through the Road to Web Summit Vancouver initiative. This program offered specialized events, training and resources to help startups attending the conference maximize the opportunity and their ability to leverage the event for growth. • Through this period, Innovate BC continued the delivery of its Integrated Marketplace program which supports collaboration between innovation-ready industry partners and B.C.-based solution providers to test, adopt and later export locally-made solutions. • Innovate BC partnered with PacifiCan to support its Business Acceleration Pilot (BizAP) which aims to increase the number of medium- and large-sized businesses in British Columbia and create quality jobs.

2023 Mandate Letter Priority	Status as of March 31, 2025
<p>Continue to develop and deliver tools, resources, expert guidance, programs, and initiatives that increase company growth, accelerate technology commercialization, adoption, diffusion and export, and support job creation, ensuring that the benefits of technology and innovation are felt around the province, inclusive of underrepresented groups including IBPOC (Indigenous, Black and People of Colour), and rural and northern communities.</p>	<ul style="list-style-type: none"> • Innovate BC delivered high-impact programs in the areas of technology development and adoption, and business growth, including through the Integrated Marketplace program, BC Fast Pilot and the B.C. On-Farm Technology Adoption Program. • Through its programming as well as sponsorship and other ecosystem partnerships, Innovate BC has contributed to inclusive growth within the province's innovation ecosystem, supporting underrepresented communities and rural communities across the province in accessing business resources, visibility, and more.
<p>Provide options on how to support the B.C. Fast Pilot program (a program that assists B.C. businesses to secure their first paying customer).</p>	<ul style="list-style-type: none"> • In 2024/25, Innovate BC has implemented strategies to continue delivery of the B.C. Fast Pilot program, funding 12 SMEs to design, build and operate demonstration sites for their technology to demonstrate its impact in real-world conditions and drive customer adoption. This includes funding for a company which is tackling wildfire response with advanced autonomous ultra heavy-lift drone swarm technology that provides real-time suppression capabilities.

Appendix B: Auditor's Report and Audited Financial Statements

Financial statements

Innovate BC

March 31, 2025

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Statement of Management Responsibility

Scope of Responsibility

Management has supervised preparation of the accompanying financial statements and related note disclosures and is responsible for their integrity and objectivity. The financial statements of Innovate BC have been prepared by management in accordance with Canadian public sector accounting standards.

We believe that these financial statements present fairly Innovate BC's financial position as at March 31, 2025 and the statement of operations and accumulated surplus, change in net financial assets, changes in net remeasurement gains and losses and cash flows for the year ending March 31, 2025 and that the other information contained in the entity's annual report is consistent with the financial statements as presented.

Internal Controls

Management is responsible for the integrity of the financial statements and has established systems of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded, and financial records are properly maintained to facilitate the preparation of the financial statements in a timely manner. We continually monitor these internal accounting controls, modifying and improving them as business conditions and operations change. We believe our system of internal accounting controls provide reasonable assurance that errors or irregularities that would be material to the financial statements are prevented or detected in the normal course of business.

Board of Directors and Audit and Finance Committee

The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management's discharge of its financial reporting responsibilities. An Audit and Finance Committee is appointed by the Board. The Audit and Finance Committee reviews the financial statements, adequacy of internal controls, audit process and financial reporting with management and with the external auditors. The Audit and Finance Committee has reviewed these statements prior to recommending approval by the Board of Directors. The Board of Directors has reviewed and approved the financial statements.

Independent Auditors

Doane Grant Thornton has performed an independent audit of the financial statements of Innovate BC. The Auditor's Report, as attached, outlines the scope of this independent audit and expresses an opinion on the financial statements of Innovate BC.

A handwritten signature in black ink, appearing to read 'Lawrence Davis', positioned above a horizontal line.

Lawrence Davis
CFO

A handwritten signature in black ink, appearing to read 'Lily Sui', positioned above a horizontal line.

Lily Sui
Director, Finance

Vancouver, British Columbia
May 15, 2025

Independent Auditor's Report

Doane Grant Thornton LLP
20th Floor
733 Seymour Street
Vancouver, BC
V6B 0S6
T +1 604 687 2711
F +1 604 685 6569

To the Board of Directors of **Innovate BC**

To the Ministry of Jobs, Economic Development and Innovation ("JEDI")

Opinion

We have audited the financial statements of Innovate BC, which comprise the statement of financial position as at March 31, 2025, and the statements of operations and accumulated operating surplus, statement of remeasurement gains and losses, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Innovate BC as at March 31, 2025, and its results of operations, its changes in its net financial assets, net remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Innovate BC in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Innovate BC's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate Innovate BC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Innovate BC's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 Innovate BC'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 Innovate BC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Innovate BC 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.

We 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 we identify during our audit.

Doane Grant Thornton LLP

Vancouver, Canada
May 15, 2025

Chartered Professional Accountants

Innovate BC

Statement of Financial Position


March 31	2025	2024 (Note 16)
Financial assets		
Cash and cash equivalents	\$ 7,802,509	\$ 8,416,471
Investments (Note 3)	7,267,287	6,143,996
Accounts receivable and accrued interest receivable	110,208	15,395
Accounts receivable from Provincial Government	413,831	-
Accounts receivable from Federal Government	4,019,172	530,512
	19,613,007	15,106,374
Liabilities		
Accounts payable and accrued liabilities	4,374,584	3,389,513
Accounts payable to Provincial Government	2,185,290	259,507
Deferred program revenues (Note 6)	344,875	149,533
Deferred revenue from NRAS endowment (Note 7)	6,353,810	4,398,655
	13,258,559	8,197,208
Net financial assets	6,354,448	6,909,166
Non-financial assets		
Restricted - NRAS endowment investments (Note 7)	53,167,521	51,209,906
Tangible capital assets (Note 4)	660,015	161,303
Prepaid expenses	183,174	87,773
	54,010,710	51,458,982
Accumulated surplus (Note 5)	\$ 60,365,158	\$ 58,368,148
Accumulated surplus is comprised of:		
Accumulated operating surplus	\$ 57,197,637	\$ 57,158,242
Accumulated remeasurement gains	3,167,521	1,209,906
	\$ 60,365,158	\$ 58,368,148

Commitments and contingencies (Note 8)

Contractual obligations (Note 9)

On behalf of the Board of Directors

 Director

 Director

Innovate BC

Statement of Operations and Accumulated Operating Surplus

Year ended March 31	Budget 2025	2025	2024 (Note 16)
Revenue			
Grants from the Province of British Columbia (Note 12)	\$ 12,794,000	\$ 17,980,858	\$ 18,159,831
Grants from the Federal Government	9,380,000	7,546,898	822,653
NRAS endowment (Note 7)	1,700,000	1,274,811	1,842,753
Service Revenue from the Government of Canada	-	686,383	18,000
Investment income	400,000	605,561	595,074
Other	120,000	273,779	507,616
	<u>24,394,000</u>	<u>28,368,290</u>	<u>21,945,927</u>
Expenses (Note 13)			
Programs and initiatives	19,779,698	24,254,987	17,658,224
Operational and administrative expenses	2,914,302	2,799,097	2,426,443
NRAS endowment funds	1,700,000	1,274,811	1,842,753
	<u>24,394,000</u>	<u>28,328,895</u>	<u>21,927,420</u>
Annual surplus	-	39,395	18,507
Accumulated surplus, beginning of year	<u>57,158,242</u>	<u>57,158,242</u>	<u>57,139,735</u>
Accumulated surplus, end of year	<u>\$ 57,158,242</u>	<u>\$ 57,197,637</u>	<u>\$ 57,158,242</u>

Innovate BC**Statement of Remeasurement Gains and Losses**

Year ended March 31

2025**2024**

Accumulated remeasurement gains (losses), beginning of year	\$ 1,209,906	\$ (1,649,811)
Unrealized gains on investments	3,086,092	3,342,999
Realized gains on investments reclassified to statement of financial position as deferred revenue from NRAS	<u>(1,128,477)</u>	<u>(483,282)</u>
Net remeasurement gains for the year	<u>1,957,615</u>	<u>2,859,717</u>
Accumulated remeasurement gains, end of year	<u>\$ 3,167,521</u>	<u>\$ 1,209,906</u>

Innovate BC**Statement of Changes in Net Financial Assets**

Year ended March 31	Budget 2025		2025	2024
Annual surplus	\$	-	\$ 39,395	\$ 18,507
Additions to tangible capital assets		(50,000)	(568,187)	(74,270)
Amortization of tangible capital assets		-	50,507	50,887
Disposition of tangible capital assets		-	766,738	3,762
Accumulated amortization of disposition		-	(747,770)	(3,662)
		<u>(50,000)</u>	<u>(459,317)</u>	<u>(4,776)</u>
Acquisition of prepaid expenses		-	(218,156)	(67,303)
Use of prepaid expenses		-	122,755	59,550
		<u>-</u>	<u>(95,401)</u>	<u>(7,753)</u>
Change in net financial assets		(50,000)	(554,718)	(12,529)
Net financial assets, beginning of year		<u>6,909,166</u>	<u>6,909,166</u>	6,921,695
Net financial assets, end of year	\$	<u>6,859,166</u>	\$ <u>6,354,448</u>	\$ 6,909,166

Innovate BC

Statement of Cash Flows

Year ended March 31

2025

2024

Cash derived from (applied to)

Operating activities

Operating surplus	\$	39,395	\$	18,507
Adjustments for items not affecting cash				
Amortization of tangible capital assets		50,507		50,887
Loss on disposal of tangible capital assets		18,968		100
		<u>108,870</u>		<u>69,494</u>

Changes in non-cash working capital items

Accounts receivable	(3,997,304)	282,742
Prepaid expenses	(95,401)	(7,753)
Accounts payable and accrued liabilities	2,910,854	1,389,904
Deferred program revenues	195,342	(1,445,681)
Deferred revenue from NRAS endowment	1,955,155	618,117
	<u>1,077,516</u>	<u>906,823</u>

Financing

Purchase of tangible capital assets	(568,187)	(74,270)
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Investments

Purchase of investments	(23,131,598)	(29,320,693)
Proceeds on maturity of investments	22,008,307	30,647,913
	<u>(1,123,291)</u>	<u>1,327,220</u>

Net (decrease) increase in cash (613,962) 2,159,773

Cash and cash equivalents, beginning of year 8,416,471 6,256,698

Cash and cash equivalents, end of year \$ 7,802,509 \$ 8,416,471

Cash and cash equivalents

Unrestricted	\$	3,195,258	\$	4,297,870
Restricted - deferred programs (Note 6)		344,875		149,533
Restricted - NRAS endowment (Note 7)		4,262,376		3,969,068
	<u>\$</u>	<u>7,802,509</u>	<u>\$</u>	<u>8,416,471</u>

Innovate BC

Notes to the Financial Statements

March 31, 2025

1. Nature of operations

Innovate BC was established on March 15, 2018, by an amendment of the British Columbia Innovation Council Act to the Innovate BC Act (the "Act"). Prior to March 15, 2019, Innovate BC was known as British Columbia Innovation Council (the "Council"). The Council was established in 2006 by an amendment of the Innovation and Science Council Act to the British Columbia Council Act.

Innovate BC is governed by a Board of Directors, appointed by the provincial government of British Columbia (the "Province"). Innovate BC is exempt from the payment of income taxes under Section 149 of the Income Tax Act.

Under Section 13 of the Act, the directors, officers, and employees of Innovate BC have certain immunities in the exercise of their duties carried out in the connection with Innovate BC.

A Crown Agency of British Columbia, Innovate BC works to foster innovation across the province and bolster the growth of the local economy through delivering a wide range of programs that help companies start and scale, access talent and encourage technology development, commercialization, and adoption. Innovate BC also harnesses crucial data collection and research, and works to forge strategic industry and community partnerships that create more opportunities for B.C. innovators.

2. Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards ("PSAS") established by the Canadian Public Sector Accounting Board.

Cash and cash equivalents

Cash and cash equivalents include all balances held at banks and investments with a term to maturity of 90 days or less at the date of acquisition.

Revenue recognition

Unrestricted contributions are recorded as revenue when received or receivable, if the amounts can be estimated and collection is reasonably assured. Other unrestricted revenue, including sales of services, are reported as revenue at the time the services are provided, or the goods delivered.

Investment income on unrestricted assets is recognized as revenue when it is earned. Investment income that is subject to external restrictions is deferred and recognized as revenue in the year in which the related expense is incurred.

Transfers from governments with restrictions are deferred and recognized as revenue when they are spent in accordance with the stipulations in the related agreements. Transfers from governments without restrictions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as revenue when received. Investment income earned from restricted cash and investments related to the endowment funds are deferred and recognized as revenue when they are spent or disbursed in accordance with the restrictions of the endowment.

Innovate BC

Notes to the Financial Statements

March 31, 2025

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Contributions externally restricted for non-capital specific purposes are recorded as deferred revenue and recognized as revenue in the year in which the stipulations are met.

Budget figures

The budget figures presented in these financial statements are based on the fiscal year 2025 operating budget, approved by the Board of Directors on February 12, 2024.

Financial instruments

Financial instruments are classified into two categories: fair value or amortized cost.

Investments in fixed income securities, which include investments with original terms to maturity of greater than 90 days, are recorded at amortized cost plus accrued interest, which approximates market value. Income on these investments is recognized in the Statement of Operations and Accumulated Surplus over the period of time the investments are held, except for those that are restricted in use. The income from investments that are restricted in use are included within deferred revenue and recognized in the Statement of Operations and Accumulated Surplus when restrictions are satisfied.

The restricted Natural Resources and Applied Science Research Endowment ("NRAS") endowment investments portfolio held with British Columbia Investment Management Corporation, which includes investments in various equity funds, is recorded at market value.

Investments in privately-held corporations are recorded at a nominal market value.

Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are included in the cost of the related investments.

Other financial instruments such as cash and cash equivalents, receivables and accounts payable and accrued liabilities, are recorded at amortized cost, which approximate their fair value due to their short-term maturities.

Tangible capital assets

Tangible capital assets are initially recorded at cost which includes amounts that are directly attributed to acquisition, construction, development, or betterment of the asset. The historical cost, less residual value, of the tangible capital assets is amortized commencing at the time the asset is available for use based on the methods and rates as shown in the schedule below:

Furniture, fixtures and equipment	20% declining balance
Computer hardware and software	33% declining balance
Leasehold improvements	Straight line over the lesser of the term of the lease and the useful life of the asset

When events or circumstances indicate that a tangible capital asset no longer has any long-term service potential, the net carrying amount is written down to the residual value of the asset.

Innovate BC

Notes to the Financial Statements

March 31, 2025

2. Summary of significant accounting policies (continued)

Prepaid expenses

Prepaid expenses are recorded at cost and amortized over the period where the benefits are received.

Employee future benefits

Innovate BC accrues employee vacation entitlements, included in accounts payable and accrued liabilities. Innovate BC is a member of the Public Service Pension Plan (Note 11). Defined contribution plan accounting is applied to the multi-employer defined benefit plan and, accordingly, contributions are expensed when paid or payable.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The significant areas requiring the use of management estimates include the determination of useful lives of tangible capital assets for amortization and the accrual of liabilities. When actual results differ from the estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

3. Investments

Innovate BC's investments are invested through Vancouver City Savings Credit Union ("Vancity"), RBC Dominion Securities Inc. ("RBCD") and British Columbia Investment Management Corporation ("BCI").

Investments include the following:

	<u>2025</u>	<u>2024</u>
Unrestricted	\$ 5,175,853	\$ 5,714,409
Restricted - NRAS endowment	<u>2,091,434</u>	<u>429,587</u>
	<u>\$ 7,267,287</u>	<u>\$ 6,143,996</u>

Included in unrestricted investments are shares of previous British Columbia Advanced Systems Foundation ("ASI") program participant private corporations received in exchange for all or a portion of loan or royalty interests. As at March 31, 2025, Innovate BC has assessed these shares of privately-held corporations to have nominal market value of \$1 each for each company shareholding. The estimated market value of the long-term investments as at March 31, 2025 is \$5 (2024 - \$5).

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Notes to the Financial Statements

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4. Tangible capital assets

Cost	2024	Additions	Disposals	2025
Furniture, fixtures and equipment	\$ 307,342	\$ 37,630	\$ 184,112	\$ 160,860
Leasehold improvements	169,859	91,082	169,859	91,082
Computer hardware and software	506,464	439,475	412,767	533,172
	<u>\$ 983,665</u>	<u>\$ 568,187</u>	<u>\$ 766,738</u>	<u>\$ 785,114</u>
Accumulated Amortization	2024	Amortization	Disposals	2025
Furniture, fixtures and equipment	\$ 244,920	\$ 14,081	\$ 176,983	\$ 82,018
Leasehold improvements	156,072	17,040	169,859	3,253
Computer hardware and software	421,370	19,386	400,928	39,828
	<u>\$ 822,362</u>	<u>\$ 50,507</u>	<u>\$ 747,770</u>	<u>\$ 125,099</u>
Net book value	2024			2025
Furniture, fixtures and equipment	\$ 62,422			\$ 78,842
Leasehold improvements	13,787			87,829
Computer hardware and software	85,094			493,344
	<u>\$ 161,303</u>			<u>\$ 660,015</u>

5. Accumulated surplus

Accumulated surplus is comprised of the following:

	2025	2024
Invested in tangible capital assets	\$ 660,015	\$ 161,303
NRAS endowment	50,000,000	50,000,000
Remeasurement gains	3,167,521	1,209,906
Unrestricted	<u>6,537,622</u>	<u>6,996,939</u>
	<u>\$ 60,365,158</u>	<u>\$ 58,368,148</u>

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Notes to the Financial Statements

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6. Deferred program revenues

	2024	Funds received	Funds expended	2025
On-Farm Technology Adoption	\$ 149,533	\$ 2,220,000	\$ (2,112,858)	\$ 256,675
Transport Canada	-	743,750	(686,383)	57,367
Capital Compass	-	63,333	(43,750)	19,583
AccelerateIP	-	135,000	(123,750)	11,250
	<u>\$ 149,533</u>	<u>\$ 3,162,083</u>	<u>\$ (2,966,740)</u>	<u>\$ 344,875</u>

Deferred funds for BC On-Farm Technology Adoption are restricted for future program expenses.

7. Natural Resources and Applied Science Research Endowment

In fiscal year 2006, Innovate BC was charged with stewarding an endowment contribution of \$50,000,000 from the Ministry of Economic Development. Investment earnings are restricted for the support of training, research and development in natural resources and applied sciences.

As at March 31, 2025, restricted cash and investments are comprised of the following:

	2025	2024
BCI investments in equity funds	\$ 53,167,521	\$ 39,281,254
Invested in fixed income securities	-	11,928,652
Permanently restricted NRAS endowment investments	53,167,521	51,209,906
Unspent interest earnings	6,353,810	4,398,655
	<u>\$ 59,521,331</u>	<u>\$ 55,608,561</u>

Deferred revenue from the NRAS endowment balance comprises the following:

	2025	2024
Accumulated interest, beginning of year	\$ 4,398,655	\$ 3,780,538
Interest earned net of fees	2,101,489	1,977,588
Realized gains	1,128,477	483,282
Awards and administration fees	(1,274,811)	(1,842,753)
Accumulated interest, end of year	<u>\$ 6,353,810</u>	<u>\$ 4,398,655</u>

Unspent interest includes \$1,880,000 (2024 - \$1,562,350) which is committed for future payments of contracted awards (Note 9). During the year ended March 31, 2025, Innovate BC paid Ignite Awards totaling \$1,775,000 (2024 - \$1,630,000) to research projects in natural resources and applied sciences, of which \$1,070,000 (2024 - \$1,630,000) was from NRAS deferred revenue and the balance of \$705,000 (2024 - \$nil) is from core funding revenue.

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Notes to the Financial Statements

March 31, 2025

8. Commitments and contingencies

(a) Operating leases

Innovate BC has entered into operating leases for their premises and certain office equipment. Total estimated lease payments up to the end of the lease terms are as follows:

2026	\$ 157,076
2027	155,507
2028	155,507
2029	155,507
2030	77,754
	<u>701,351</u>
	\$ 701,351

(b) Contingencies

From time to time, Innovate BC is subject to certain legal proceedings and claims which arise in the ordinary course of business. The outcome of such claims is undeterminable at this time and accordingly no provision has been made for these claims.

9. Contractual obligations

Innovate BC has entered into a number of project grant contracts as at March 31, 2025, to provide future funding of research projects to be completed subsequent to year-end. These contractual obligations are funded in installments and payments are due based on the satisfaction of conditions included in the contracts. As such, no liability has been accrued in the financial statements as Innovate BC is not liable for payments until these conditions have been met.

The contractual obligations of Innovate BC are as follows:

	<u>2025</u>	<u>2024</u>
HDZEV	\$ 3,121,517	\$ -
Ignite awards	1,880,000	1,562,350
Integrated Marketplace Initiative	281,936	2,793,270
BC On Farm Technology Adoption Program	131,847	91,369
BC Fast Pilot	42,000	-
Venture Acceleration Program	-	334,000
	<u>\$ 5,457,300</u>	<u>\$ 4,780,989</u>

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Notes to the Financial Statements

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10. Contractual rights

Innovate BC has entered into program and lease contracts with the Province of British Columbia and third parties, and are entitled to receive payments to the end of the contract terms as follows:

2026	\$ 9,030,107
2027	1,110,646
2028	34,136
2029	34,780
2030	18,000
	<hr/>
	\$ 10,227,669

11. Employee future benefits

Innovate BC and its employees contribute to the Public Service Pension Plan (the "Plan") in accordance with the Public Sector Pension Plans Act (the "Act"). The Public Service Pension Board of Trustees, representing Plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. As the Plan is a multi-employer, defined benefit plan, Innovate BC accounts for its payments on the basis of a defined contribution plan. The Plan covers approximately 71,000 active employees.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The latest actuarial valuation as at March 31, 2023, indicated a funding surplus of \$4,491,000,000 for basic pension benefits on a going concern basis. The next valuation will be as at March 31, 2026, with results available in early 2027.

During the year ended March 31, 2025, Innovate BC expensed \$187,901 (2024 - \$175,979) for contributions to the Plan.

12. Related party transactions

Innovate BC is related through common ownership to all Province of British Columbia ministries, agencies, crown corporations, school districts, health authorities, hospital societies, universities and colleges that are included in the provincial government reporting entity. Transactions with these entities, unless disclosed otherwise, are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year ended March 31, 2025, Innovate BC received \$15,368,000 (2024 - \$14,526,150) in provincial funding from the Ministry of Jobs, Economic Development and Innovation, \$2,220,000 (2024 - \$2,188,000) in provincial funding from the Ministry of Agriculture and Food and \$500,000 (2024 - nil) in provincial funding from the Ministry of Energy and Climate Solutions.

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Notes to the Financial Statements

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13. Expenses by object

The following is a summary of expenses by object:

	<u>2025</u>	<u>2024</u>
Program expenses and disbursements	\$ 23,523,984	\$ 17,753,986
Salaries and benefits	3,538,179	3,059,538
Office expenses and other costs	481,064	446,330
Rent	370,312	384,846
Contracted services	346,181	231,835
Amortization	50,507	50,887
Loss on disposal of assets	18,668	-
	<u>\$ 28,328,895</u>	<u>\$ 21,927,420</u>

14. Financial risk management

Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligation resulting in a financial loss. For cash and cash equivalents and receivables, Innovate BC's credit risk is limited to the carrying value on the statement of financial position. Management does not believe that Innovate BC is subject to any significant concentration of credit risk. There have been no changes to the risk exposure from the prior year.

Liquidity risk

Liquidity risk is the risk that Innovate BC is not able to meet its financial obligations on a timely basis or at a reasonable cost. Innovate BC has established budget processes and regularly monitors cash flows to ensure the necessary funds are on hand to fulfill upcoming obligations. There have been no changes to the risk exposure from the prior year.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect Innovate BC's income. Innovate BC utilizes market risk management to control market risk exposures to within acceptable parameters while optimizing the return on risk. Innovate BC is exposed to market risk on its investments with BCI.

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Notes to the Financial Statements

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15. Fair value of financial instruments

Canadian public sector accounting standards define the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. The financial instruments measured at fair value held within each investment are classified according to a hierarchy which includes three levels, reflecting the reliability of the inputs involved in the fair value determination.

The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Innovate BC's investments are all considered to be level 1 and level 2 financial instruments. Changes in fair valuation methods or in the availability of market observable inputs may result in a transfer between levels. During the year there was no transfer of securities between the different levels.

Innovate BC's investments are invested mainly through British Columbia Investment Management Corporation, Vancouver City Savings Credit Union and Toronto-Dominion Canada Trust.

16. Comparative figures

Some of the comparative figures have been reclassified to conform to the current year's presentation. This reclassification does not affect the net amount of the annual surplus.
