

CIVIC PARTNER 2017 ANNUAL REPORT SNAPSHOT-CALGARY TECHNOLOGIES INC.

CALGARY TECHNOLOGIES INC. (Operated as INNOVATE CALGARY until December 31, 2017)

Vision: To advance our ecosystem through creativity, collaboration, and an abundance mindset as the foundation of an innovation driven economy.

Mission: CTI accelerates innovation driven startups and enterprises.

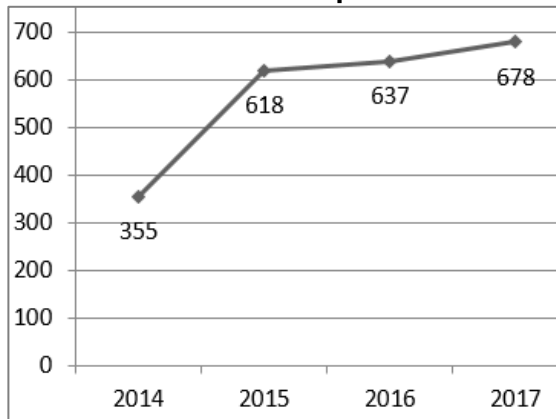
2017 City Investment

Operating Grant:\$799,725

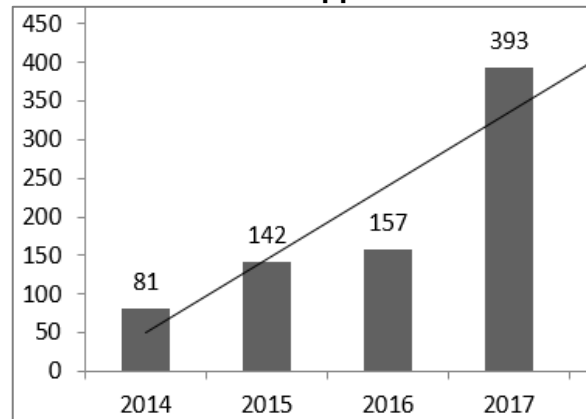
City owned asset? No

How did they do in 2017?

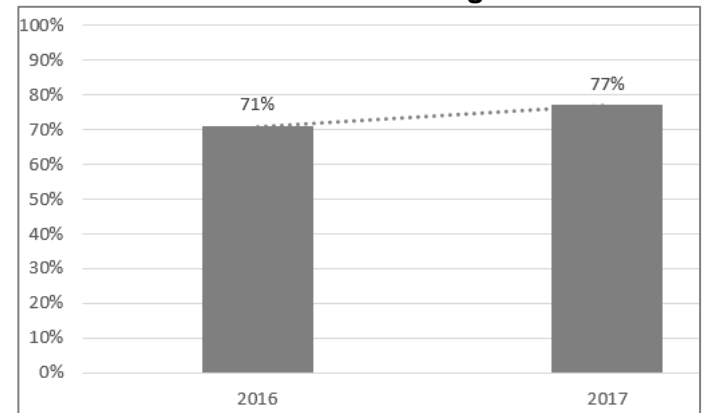
New client inquiries



Clients supported



Satisfaction rating



The story behind the numbers

- Through efficiencies in qualifying clients, CTI served more clients without increased staff resources.
- Over the past five years, CTI's client base has grown by over 8 times.
- Clients engaged saw a large growth spike due to new programming at a lower cost for new programs.
- The slight increase in overall satisfaction could be due to a change in product mix and a refinement in program offerings.
- CTI's co-working space, The Inc., expanded to three times its original square footage. This has allowed CTI to offer the entrepreneur a continuum of space options from a single desk to high in demand lockable offices as the client's needs change as a result of growth.

Snapshot of 2017-18 priorities

With the separation of CTI and Innovation Calgary, CTI will focus on implementing and executing a new strategy under the leadership of a new CEO, Terry Rock. Service offerings will fall into four areas: education (entrepreneurial skill development for startups and enterprises), acceleration (focused on increasing traction for client companies), place (a physical space to start and grow businesses), and ecosystem development (drive improvements in the region's innovation ecosystem, working with multiple partners including the Calgary Innovation Coalition).



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Organizational Structure: Minority Owned Subsidiary (The City is one of 3 shareholders)

Fiscal Year End: April 1, 2017 to March 31, 2018

Related Subsidiaries or Foundation: None

City 2017 Operating Grant: \$799,725

1. Current Vision, Mission and Mandate:

Vision: "To advance our ecosystem through creativity, collaboration, and an abundance mindset as the foundation of an innovation driven economy."

Mission: "Calgary Technologies Inc. (CTI) accelerates innovation driven startups and enterprises."

2. What key results did your organization achieve in 2017 that contributed to one or more of the Council Priorities in Action Plan 2015-2018? (A Prosperous City, A City of Inspiring Neighbourhoods, or A Healthy and Green City?)

CTI's primary contribution to the Council Priorities in Action Plan 2015-2018 is in the area of economic prosperity. Our programs and services are focused on assisting and guiding entrepreneurs as they build and grow their innovation driven businesses.

2017 accomplishment highlights include:

- 2017 to 2018 year over year demand for our entrepreneur development programs and services grew by 6 per cent. Client satisfaction measurements continue to show the effectiveness of our entrepreneur programming. 76% of clients found that the ecosystem service providers like CTI had a positive or vital impact on their successes this year.
- Although over 8 times growth in our client base has been experienced over the last 5 years, prior staff resource constraints have been partially overcome by delivering content more efficiently via a peer cohort approach for programming. This has allowed us to reach an increasing number of entrepreneurs. 1:1 interaction has been reserved for SME's that are serious and committed to their ventures.
- # of Clients participating in our programs – 394, an increase of 150 per cent
- # of Physical Tenants in the ARTC building – 46, and # of Virtual Tenants – 54
- Continued review of service offerings for our client base ensures that their changing and increasingly sophisticated needs are met
- Kinetica Ventures, our energy technology accelerator focused on helping entrepreneurs launch new energy technology product companies launched in 2015 and continues to work with energy company startups – in both traditional sectors and clean energy sectors
- The Inc., our co-working space, expanded to 3 times its originally square footage. This has allowed CTI to offer the entrepreneur a continuum of space options from a single desk to high in demand lockable offices as the client's needs change as a result of growth
- CTI hosted 304 events in our building of which over 35 per cent were for other innovation ecosystem partners

3. What challenges affected your operations in 2017? How did you transform your operations to respond and adapt?

During 2017, the following challenges and adaptations to respond to those challenges occurred:

- Staff resource capacity maximums – This challenge was addressed by adapting our program delivery model to a cohort model as opposed to one to one training. This facilitated being able to provide programming to our ever increasing client base.

- Major tenant graduated from the building leaving with 33 per cent vacancy – The graduation of this tenant, while a very positive occasion, did provide a large challenge in a real estate market that is experiencing record high vacancy rates. Through creative marketing strategies and expanding on our tenant engagement strategies, the current vacancy is only 23 per cent and the prospective tenant activity in our building remains high.
- Innovate Calgary separated into two fully independent organizations, each focused on delivering a subset of the mandate of the previous organization – The split of Innovate Calgary into CTI and Innovate Calgary occurred in January 2018. This split has allowed CTI to re-evaluate all of its programs and services in order to ensure client needs are being met and that our efforts result in an improvement to the entire ecosystem. CTI will have a new CEO in May to help lead CTI into the future.
- Increased competition in the Incubator and Accelerator space – The increased number of Incubators and Accelerators in Calgary have highlighted the need for all organizations in this space to strive for excellence and deliver value. CTI has increased collaboration with our ecosystem partners further to ensure that friction is reduced for entrepreneurs and SMEs along their commercialization journey. We are also performing a strategic review of our internal offerings to consolidate with other service providers and improve on delivery efficiency.

4. Using the chart below, please report your 2017 performance measures that demonstrate; where possible; how much you did, how well you did it, and how Calgarians are better off. Please identify through BOLD font, 1-2 measures that are most significant and could be presented in a chart.

	Performance Measure	2015-16	2016-17	2017-18	What story does this measure tell about your work? Why is it meaningful?
How much did you do?	New Client Inquiries <i>(Inquiries handled by IC staff)</i>	618 (74%)	637 (3%)	678 (6.5%)	Annual growth (%) is shown below the values. Annual inquiries are peaking around 650 for the last few years. Efficiencies in qualifying clients has allowed us to continue serving more clients despite headcount remaining the same. Clients engaged saw a large growth spike due to new programming at a lower cost for new programs. CTI aims to focus less on organizing events, but will remain a key contributor and supporter, we foresee a greater amount of events we support, but fewer that we organize.
	Clients Qualified <i>(Many Client Inquiries are referred to another ecosystem partner or are not a fit for our programs and services)</i>	223	272 (22%)	333 (22%)	
	Clients Engaged <i>(In a paid or subsidized program or service)</i>	142 (75%)	157 (10.5%)	393 (150%)	
	Innovation Events Organized or Supported	77	90 (17%)	97 (7%)	
How well did you do it?	Satisfaction Rating Innovate Calgary wide (Score >=8) <i>(How likely would you recommend IC to a friend or colleague 1-10)</i>		71.4%	77.4%	A slight increase in overall satisfaction is seen. Possibly due to a change in product mix and a refinement in our

					offerings. (scored 8+ on a scale of 1-10).
	Net Promoter Score <i>(How likely would you recommend IC to a friend or colleague 1-10)</i>	No Data	32%	49%	In 2016, CTI implemented the Net Promoter Score as an industry standard means to track and benchmark our client satisfaction with other top performing service companies. We strive for a score between 50-70, which rivals top performing organizations globally across sectors.
	Impact on Company Rating <i>(What degree of impact did local business support services have on your company's successes this year? (1-Negative, 2-None, 3-Minor, 4-Positive, 5-Vital)</i>	No Data	No Data	1 - 0 2 - 9 3 - 18 4 - 50 5 - 36 (76.1%)	Through our participation in the Federal Government pilot project for metrics consolidation across all Business Accelerator Incubators, we added this question which reflects the perception of impact made by local service providers on SMEs. This first year measure showed 76.1% of client companies found the ecosystem had a positive or vital impact on their successes that year. This is very good news.
How are Calgarians better off?	Annual Client Achievements Survey: Company Milestones a) Sample Size (SMEs) b) # of new hires c) # of full time jobs d) # of new incorporations e) # of strategic relationships formed f) # of Prototypes created g) # of Products Launched h) # of companies accepted into accelerators i) # of companies that made their first sale j) Total funding raised from the following sources: - Friends & family - Government - External Capital (Angels, VCs, Private equity) k) Research:	No Data No Data No Data No Data No Data No Data No Data No Data No Data No Data No Data No Data No Data No Data	N=99 248 632 16 47 129 89 13 19 \$6.7M \$9.9M \$23.2M \$28.2M 27	N=115 236 443 23 57 124 160 34 24 \$2.941M \$6.65M \$7.216M removed 16	In 2017 we introduced our standardized Annual Business Achievement Survey, in an effort to better understand the impact our clients are making on the economy. Through the RBA framework, we demonstrate contribution to our client's achievements rather than direct attribution. The decrease in some of the 2017-18 client results can be attributed to the separation of CTI from Innovate Calgary in Jan 2018, and a slight change in the data collection process. Our results no longer include University spin-off companies, and in 2016-17 we estimated the \$ values based on ranges, where in 2017-18 they were reported estimates directly by the SMEs. R&D Spend was deemed less important, so it was removed from the questionnaire in 2017-18 for simplification.

	<ul style="list-style-type: none"> - <i>R&D spend</i> - <i>Filed</i> - <i>Issued</i> 	No Data	20	4	Overall, we need more data over time to identify meaningful trends. Meanwhile, CTI continues to strive to increase the response rate, refine the question set further, and track clients over time more effectively.
	l) # of companies that entered a new market this year	No Data	34	33	

5. What resources were leveraged to support operational activities in 2017?

Financial: CTI continues to leverage the City of Calgary's ~\$800K grant to secure other Government (Provincial and Federal) funding by a factor of over 4 to 1 in 2017-18. Since CTI has separated from Innovate Calgary, it no longer receives any substantial long term funding from the University.

Resources: CTI also utilizes a collaborative community model that leverages volunteers and resources of other service providers. Examples include: Usage of volunteer entrepreneur mentors in our growing Venture Mentoring Service of Alberta (VMSA).

6. Please estimate how The City's operating funding was allocated in 2017. Mark all areas that apply by approximate percentage. For example, 45% allocated to staffing costs, 10% to evaluation or research, etc.

0 %	Advertising and promotion
0 %	Programs or services
0 %	Office supplies and expenses
0 %	Professional and consulting fees
100 %	Staff compensation, development and training to deliver programs and services
0 %	Fund development
0 %	Purchased supplies and assets
0 %	Facility maintenance
0 %	Evaluation or Research
0 %	Other, please name:

7. Did volunteers support your operations in 2017? If yes,

How many volunteers?	21
Estimated total hours provided by volunteers:	More than 900 Hours

8. What are your key priorities and deliverables for 2018-2019?

CTI spun out of Innovate Calgary effective Jan 1, 2018. In preparation for that spin-out, the CTI board embarked on a strategic review in the summer of 2017 to refresh CTI's new Vision, Mission, and Principles. For FY2018-19, CTI's priorities shall be the implementation and execution of our new strategy under the leadership of our new CEO, Terry Rock, who starts May 3, 2018. A key element of the strategy is a revamp of our service offerings into four categories:

- Education : classroom training on entrepreneur skills development tailored for startups and enterprises
- Acceleration : continuous intake and cohort programs with advisory services focused on increasing traction for client companies, especially sales into corporate and industry partners



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- Place : a place to start and grow businesses, ranging from a hot desk and onto small, medium, and large office space
- Ecosystem Development : driving improvements in the region's innovation ecosystem, working with multiple partner organizations (e.g. Calgary Innovation Coalition)

CTI's success is measured by the success of our clients, and how far we can help advance their businesses. Thus, for FY2018-19, we will continue to track client progress and their satisfaction level regarding our service offerings through customer feedback surveys and our annual business achievement survey.

NOT APPLICABLE--

CAPITAL AND ASSET MANAGEMENT (for applicable partners)

Asset: *Name of City owned asset managed or operated*

9. Provide a summary of your organization's 2017 capital development, including specific lifecycle/maintenance projects.

10. What funding was leveraged to support capital activities in 2017?

STRATEGY DELIVERY (for applicable partners)

11. What key results were achieved in 2017 for the Council-approved strategy you steward?