



CANADA DEVELOPMENT INVESTMENT CORPORATION

2022 to 2026

CORPORATE PLAN AMENDMENT SUMMARY

Regarding the Canada Innovation Corporation

CDEV CORPORATE PLAN AMENDMENT SUMMARY
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Overview of Amendment to 2022 Corporate Plan

The Canada Development Investment Corporation's (CDEV) 2022-2026 Corporate Plan was approved by the Treasury Board on March 24, 2022. An Amendment to the 2022-2026 Corporate Plan was approved by the Treasury Board on April 28, 2022. Following these approvals, the government has made decisions that require additional amendments to this Corporate Plan. These include:

- The intention to stand up a Canadian innovation and investment agency, with the current working name of the Canada Innovation Corporation as a wholly-owned subsidiary of CDEV, as will be announced in the release of the innovation and investment agency policy blueprint in the coming weeks.
- Further details on the activities of the subsidiary will be presented in CDEV's 2023-2027 Corporate Plan and 2023 Capital Budget.

Capital Expenditure Authority

- Capital expenditure authority is not being sought for Canada Innovation Corporation.

Borrowing Authority

- No amendments are being sought to CDEV's borrowing authority.

Financial Statements and Corporate Plan

- No pro-forma financial statements have been prepared for Canada Innovation Corporation.

1.0 EXECUTIVE SUMMARY AND PURPOSE OF AMENDMENT

Canada Innovation Corporation

In order to assist in the launch of the Canada Innovation Corporation, CDEV, is expecting to receive a directive from the GIC, for it to incorporate a new, non-agent, non-taxable wholly-owned subsidiary. The subsidiary will be responsible for planning for the launch of programs, including by appointing senior leadership, and hiring staff. These activities will facilitate an accelerated launch once the Canada Innovation Corporation is continued under its own legislation. CDEV, as the parent of the Canada Innovation Corporation is responsible for appointing the Canada Innovation Corporation's Board of Directors, in consultation with the Minister of Finance. Orders issued by the GIC, on the recommendation of the Minister of Finance, to CDEV are expected to outline terms and conditions of the new subsidiary.

2.0 MANDATE AND BUSINESS OVERVIEW

Canada Innovation Corporation

The Canada Innovation Corporation will be established prior to the end of Q1 2023 with a mandate to maximize business investment in research and development across all sectors and in all regions of Canada to promote innovation-driven economic growth.

While initially a subsidiary of CDEV, the Canada Innovation Corporation will be launched as a parent Crown corporation when its enabling legislation is expected to be in place in 2023. In the interim, as a subsidiary of CDEV, the Canada Innovation Corporation will engage in activities that will include, for example, planning for the launch of its programs, appointing senior leadership, and hiring staff. This corporate plan amendment does not seek the authority for the subsidiary to deliver funding or advisory services to businesses.

3.0 CORPORATE GOVERNANCE AND OPERATING ENVIRONMENT

Canada Innovation Corporation

The Board of CDEV will select the Board of Directors of the Canada Innovation Corporation and its CEO, in consultation with the Minister of Finance. CDEV may leverage its board and officers to serve as initial directors on the Canada Innovation Corporation's board. The other officers of the Canada Innovation Corporation will be appointed by its Board of Directors. The size of the Canada Innovation Corporation is subject to change as it hires senior leadership and staff. CDEV and the Canada Innovation Corporation may leverage employees from the Government of Canada (e.g., through secondments, interchanges, or other short-term employment options) to help establish the Canada Innovation Corporation.

CDEV expects to receive a Directive from the GIC regarding its role in launching the subsidiary.

4.0 CORPORATE PERFORMANCE

CDEV's Corporate performance has not changed in light of this amendment.

5.0 CDEV - OBJECTIVES AND STRATEGIES FOR THE PERIOD 2022 TO 2026

Canada Innovation Corporation

While a wholly-owned subsidiary of CDEV, the Canada Innovation Corporation will focus on the launch and stand up of the organization, including, for example, planning for the launch of programs, appointing senior leadership, and hiring staff. This corporate plan amendment does not seek the authority for the subsidiary to deliver funding or advisory services to businesses.

5.9 Risks and Risk Mitigation Summary

The risks and mitigants detailed in the 2022 Corporate Plan remain substantially unchanged in this Amendment. The main risk associated with this Amendment regards the capacity of CDEV to effectively launch two new subsidiary corporations (including the Canada Growth Fund, covered by a separate amendment to the 2022 Corporate Plan) and to provide effective support and oversight to these entities. CDEV has recently recruited additional personnel, and the corporation has additional resources to handle its increased responsibilities. In addition, CDEV will work closely with government officials to ensure that they have the resources required to launch and oversee this entity in this initial phase.

6.0 FINANCIAL SECTION

6.3.2 Assumptions for the Plan period

This Amendment to the 2022-2026 Corporate Plan is based on the following assumptions:

The Canada Innovation Corporation is anticipated to be housed within CDEV only on an interim basis, and it is expected that the subsidiary will be spun out from CDEV in 2023.

Canada Development Investment Corporation

2022-2026 Corporate Plan Amendment Summary

6.4 Capital Budget

Summary of Capital Expenditures

\$ million	2022	2023	2024	2025	2026
TMC – TMEP original Plan	4,953	2,047			
TMC – TMEP flood impact (Feb 2022)	300	200			
	5,253	2,247			
TMC – TMEP Revised in Amendment (April 2022)	5,771	1,888			
TMC/CDEV – Capitalized Interest (April 2022)	650	845			
TMC – TMEP Revised in Amendment (October 2022)	8,383	1,888			
TMC – TMEP Contingency requested by CDEV (October 2022)	1,000				
Capitalized Interest Consolidated (TMC and CDEV) (October 2022)	760	845			
TMC – maintenance	95	52	41	43	44
CGF – start-up costs	1	10			
CGF – initial investments	0	1000			
CHHC	37	27	26	27	30
CDEV Office and ancillary	1	0	0	0	0
CEEFC (not consolidated)	0	0	0	0	0
Total (CDEV consolidated with CEEFC)	10,277	3,822	67	70	74

CIC's initial start-up costs are anticipated to be limited, and related to compensation for the Board of Directors, executives, and initial staff.

6.5 Operating Budget

Canada Innovation Corporation

Initial operating costs will be related to compensation for the Board of Directors, executives, and initial staff, prior to the Canada Innovation Corporation's launch via enabling legislation.

Appendix A - Planned Results

Expected Outcomes	Performance Indicators or Targets
Oversee the standing up of the Canada Innovation Corporation	Appoint a qualified Board of Directors and CEO to lead the Canada Innovation Corporation.