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Invest Toronto 2015
Annual Report

BUILDING A GLOBAL TORONTO

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**When you
choose
Toronto, you
choose the
world.**

**Invest Toronto
connects
international
companies
to the global
business
opportunities
in North
America's
most diverse
and dynamic
market.**



Photo: Benson Kira



Photo: Andrew Williamson, Shopify

JOHN TORY

*Mayor,
City of Toronto*

“Toronto is repeatedly ranked at the top globally for competitiveness, innovation, and liveability. We are the place in North America and in the world where businesses come to thrive and grow, and where entrepreneurs want to come to launch their startups. Very few cities in the world offer such multi-sector strength, depth of talent, and a driving economic and financial engine. Our city is full of smart, innovative and creative people, and they have transformed the Toronto region into a centre for new technology, food processing, culture, the arts, and entertainment. We can stay on top, but it won’t happen by accident. Jobs and economic growth are key to our city’s success. We are serious about selling Toronto to the world.”



Photo: Tourism Toronto

Message from the Chair of the Invest Toronto Board of Directors



Toronto is one of the best places in the world to do business. With our strong and stable economy, low operating costs, excellent incentives and easy access to more than a billion consumers through our international trade agreements, businesses that locate in Toronto are creating an exceptional springboard to success.

As the Chair of the Invest Toronto Board of Directors and Chair of the City of Toronto Economic Development Committee, I have the pleasure of meeting business people from around the globe. Increasingly, these astute leaders are coming to the conclusion that when they want to expand into the North American marketplace, choosing a location with the most diverse, multicultural and multilingual talent pool in the continent, a stable and supportive political environment, and an unmatched quality of life gives them the edge they need to grow. That location is Toronto.

In 2015, Invest Toronto conducted several missions to the United States, two to China, and others to Brazil, India, and the European Union. These missions provided a valuable opportunity to reconnect with existing clients and to generate new leads in strategically important markets.

Since 2010, Invest Toronto has successfully promoted Canada's business and financial powerhouse internationally to attract

foreign direct investment to the city and create employment opportunities for local residents. I have watched the team build momentum, refine their tactics and employ new tools to analyse trends and fine-tune strategies. They have displayed extraordinary dedication to providing investors with the most current and meaningful information, the knowledge businesses need to make the best investment decisions. Their efforts have led to 25 new investments in the Toronto market in 2015, the majority coming from the United States and the European Union in the technology and financial services sectors.

These investments are the result of months, or even years of work building relationships and providing the support investors need to make wise expansion decisions. The team's efforts are laudatory, earning Invest Toronto recognition from Site Selection Magazine as one of the Top 10 Canadian Economic Development groups for the second year in a row, and moving Toronto into the Top five in the FDI Strategy category

by fDi American Cities of the Future 2015/16, a division of the Financial Times.

Over the years, it has become increasingly clear that Toronto's virtues are enhanced by the region that it anchors. Surrounding Toronto are 28 other municipalities, each with its own strengths and unique assets. "Greater Toronto," with its combined 6.2 million people, strength in a number of growing business sectors, 11 world class colleges and universities and one of the world's most highly educated workforces, offers international investors an irresistible value proposition. If Toronto and our neighbours work together as one region, we can offer international investors compelling opportunities that are second to none.

As we reflect on our activities and successes in 2015, we look forward to a new era where the Greater Toronto Area speaks to international investors in a clear, powerful and united voice. Working together, we can enhance the competitiveness of the Toronto region, accelerate business growth and create high value jobs for the entire region.

Councillor Michael Thompson

Chair, Invest Toronto Board of Directors
Chair, City of Toronto Economic Development Committee

Message from the Interim President & CEO, Executive Vice President, Operations



Over the last six years, we have worked tirelessly to promote the City of Toronto to the world to enhance our global competitiveness and attract foreign direct investment to the city. We leverage Toronto's strengths, and demonstrate how they can give investors a competitive advantage over others in the North American market. We assist companies with accessing the various supports offered by the municipal, provincial, and federal governments so that they can establish operations, grow, and thrive in Toronto. We know how to set companies up for success, and in turn, we are building Toronto's reputation as a global centre for business.

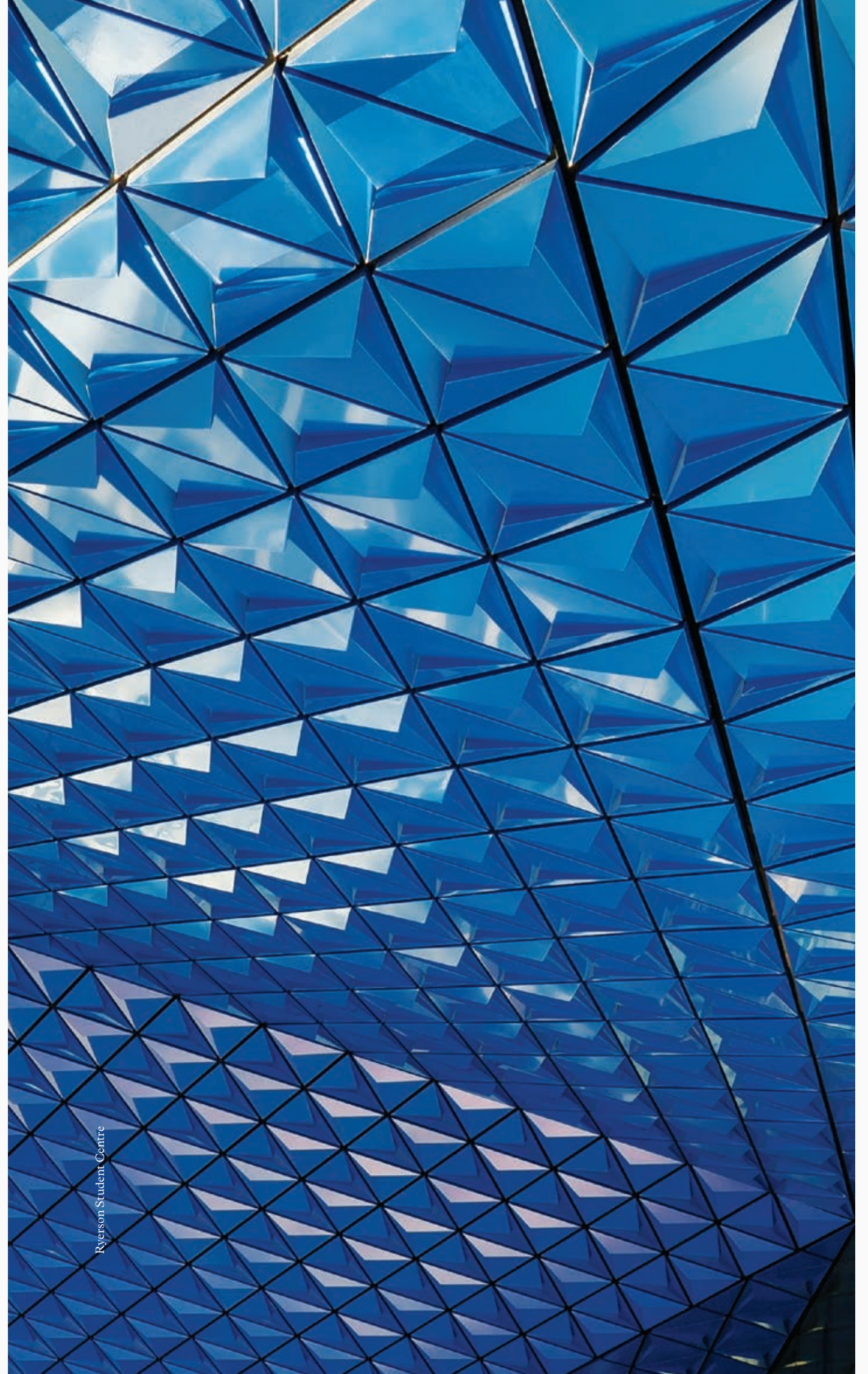
Toronto truly offers a competitive business environment that is unparalleled anywhere else in the world. As Canada's largest city, we are privileged to market our country internationally, showcasing our diverse and highly skilled workforce, which is the most educated talent pool among countries of the Organization for Economic Co-operation and Development (OECD), with more than half of our population aged 25 to 64 having a tertiary level education. In addition, Canada has worked hard to reduce the tax burden for business. With the combined income tax rate of 26.3 per cent, our competitive corporate taxes are approximately 13 percentage points lower than the U.S. average. In addition, Canada and Ontario combined have one of the most generous R&D tax incentive programs in the world, providing us with a 15.8 percent R&D cost advantage relative to the United States. All of these factors contribute to Toronto's standing as a rising global centre of commerce and an ideal point of entry into a rich North American marketplace.

As we reflect on our activities and accomplishments since our inaugural year in 2010, the Invest Toronto team looks forward to 2016, when the face of investment promotion in the Toronto area will change. In 2016, a new agency will be formed that will promote the entire Toronto region to attract international investments to our area.

Invest Toronto is pleased to be part of this new agency, to bring forward best practices and insights gained over the last six years in order to drive foreign direct investment and create more jobs for the region. We will be maintaining customer service as our top priority, and ensuring that we uphold our standard of excellence in supporting our clients, which will remain paramount in our endeavours to market the region going forward.

Toronto is, without a doubt, the business and economic engine of the country. When international companies consider Toronto as an investment destination, they are choosing a location that allows them to seize global opportunities in a highly competitive market that will best support their future needs. Going forward, it only makes sense to present the Toronto region as a whole to investors, providing insight on the benefits that each unique municipality offers. This is the power of the Toronto region, and tapping into that power, there is no limit to what can be achieved. Working together, we can position the Toronto region as the best place in the world to do business.

Terrie O'Leary
Interim President and CEO
Executive Vice President, Operations



Invest Toronto
has the
expertise
to help
companies
tap the
business
opportunities
in Canada's
largest city.

BUILDING ON OUR STRENGTHS

Invest Toronto connects international companies to the global business opportunities found in Canada's largest city. We know how to navigate Toronto's business environment and the various levels of government to provide the best support to companies looking to expand operations to Toronto or to leverage our city as a launch pad for their North American operations. We assist business leaders when making the difficult decision to establish operations in a new market, and support them every step of the way, from the moment they make the decision to expand to the moment they open doors to their new Toronto location. We listen closely to our clients' needs, and provide customized information about Toronto's business environment, including market intelligence, client-specific benchmarking reports, and economic and demographic analyses.

In addition, we help to make important connections for our clients in order to assist them with the process of setting up their business in a new market, including introductions to key representatives of the federal, provincial, and municipal governments, and service providers such as lawyers, accountants, human resources consultants, and real estate firms.

When we meet with international business executives either in market or here in the city, we highlight Toronto's competitive advantages to encourage them to make a strategic decision about their investment. Toronto is one of the best cities in the world to do business, with the soundest banking system worldwide for eight consecutive years, in addition to a stable and supportive business environment.

We have a strong and diverse economy that supports dynamic and growing business sectors, with cutting edge innovations occurring in the life sciences, technology, clean technology, financial services, and food and beverage sectors. These industries are in turn giving rise to vibrant and growing subsectors that are positioning Toronto as a global leader in fintech, software development, gaming, 2D and 3D animation, film and television production, music, solar and wind technologies, and advanced manufacturing. The various government supports, incentives, and tax credits available to companies in these sectors make Toronto an increasingly attractive place to innovate, create, and bring new products and services to market.

We have our finger on the pulse of this thriving, exciting and progressive city, and we are not the only ones —

Here is what the world said about Toronto in 2015:

Toronto ranks in the Top 10 globally and 2nd in North America in the *Global Financial Centres Index 18*

September 2015

Toronto ranks 1st in North America and 8th in the world for safety

Economist Intelligence Unit
Safe Cities Index, January 2015

Toronto ranks 2nd in North America and 15th worldwide for quality of life

Mercer *Quality of Living Rankings*,
March 2015

Toronto places 8th in the world for having the most female entrepreneurs

World Economic Forum,
August 2015

Toronto ranks 1st as APEC's most competitive, sustainable and liveable metropolis

PwC, *Building Better Cities*,
November 2015

Toronto named hottest luxury real estate market in the world

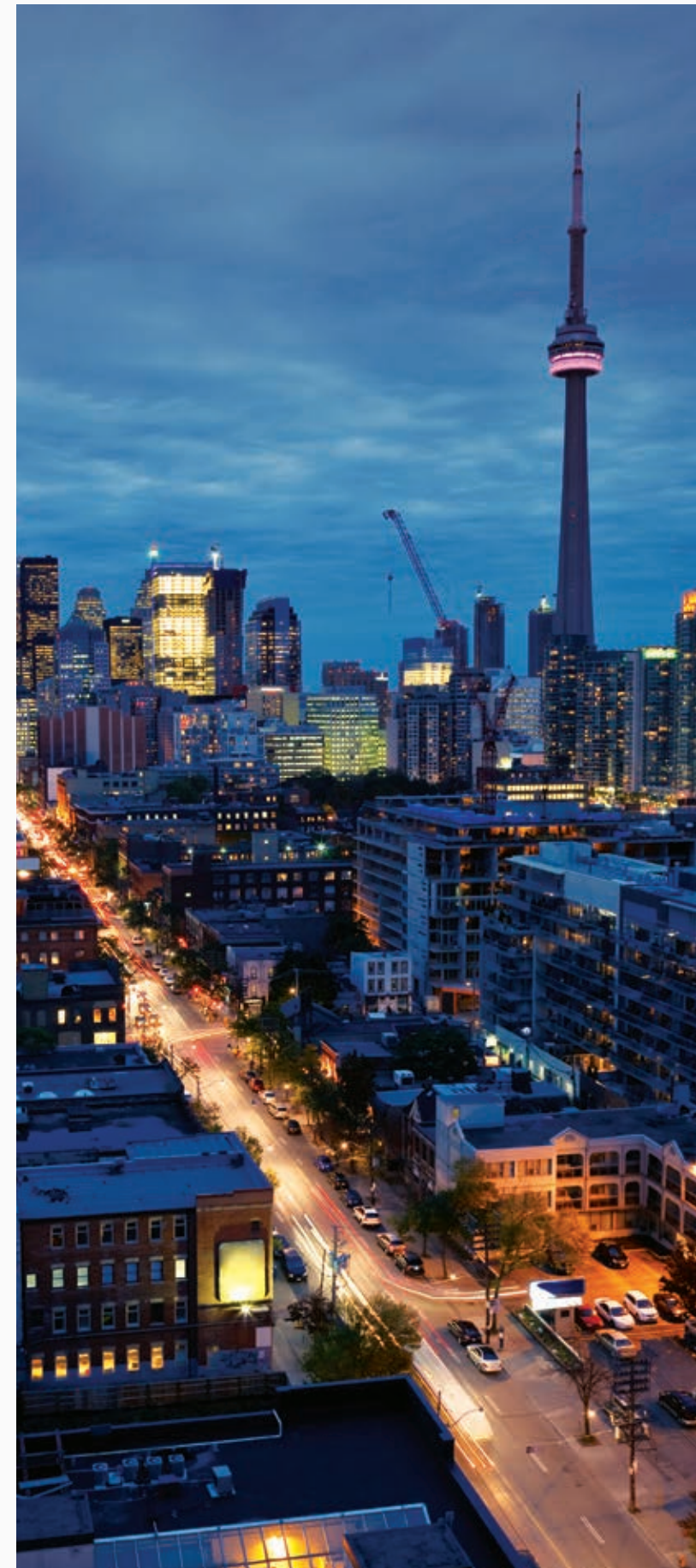
Christie's International Real Estate,
May 2015

The University of Toronto ranks as the best university in Canada and as Canada's most innovative university

Centre for World Class Universities'
2015 Academic Ranking of World Universities,
August 2015 and Reuters, December 2015

Toronto's University Health Network ranks as the top health research organization in Canada

October 2015



A view of the Toronto skyline and financial district

Since 2010, Invest Toronto has prioritized in-person meetings as the best way to connect with global businesses that are interested in expanding into a new market. B2B meetings, held either in Toronto or in market, provide the opportunity for Invest Toronto to present Toronto's competitive advantages, as well as outline services available for companies interested in locating in Toronto. It is also an opportunity for the Invest Toronto team to gauge a company's potential investment timeline and to identify the support needed to help make the investment a reality. Invest Toronto also encourages companies to visit Toronto to get to know the city and learn first-hand about the advantages a Toronto location provides to their business.

Invest Toronto's Five Strategic Markets

In 2015, Invest Toronto conducted seven business missions to strategically selected markets to reconnect with existing clients and identify new opportunities. This year, our focus included the United States, Brazil, China, India, and the European Union.

United States



Canada and the United States enjoy a unique and singular partnership underpinned by a shared geography, similar values, common interests, deep connections, and powerful, multi-layered economic ties. In order to leverage this relationship with our largest trading partner, Invest Toronto has initiated a strategy to attract companies from the United States that would benefit from opening an office in Toronto, which provides a stable and competitive business environment at a fraction of the cost of similarly-sized U.S. cities.

Following a preliminary trip to San Francisco and Palo Alto in 2014 to attend the TechCrunch Disrupt Conference, in January 2015, Invest Toronto conducted its first prospecting mission to Silicon Valley. The goal of this mission was to develop relationships with the venture capital community and to meet with companies identified as having potential to expand operations to Toronto. Invest Toronto conducted this mission in collaboration with the City of Toronto, represented by its Senior Advisor, Technology Sector. This mission launched the next stage in our strategy: to connect with venture capitalists, tap into their network in the startup sector, and meet companies with the potential to establish operations in Toronto. Our federal and provincial representatives in market were critically important partners in our targeted lead generation work.

In addition to our efforts in California, in 2015, using matching funds secured through the federal government's Invest in Canada Community Initiatives (ICCI) program, Invest Toronto engaged an in-market consultant to assist with identifying opportunities in Boston, Chicago, San Francisco, and New York City. The team conducted missions to each of those cities throughout the course of the year, stopping in New York City three times. With the encouragement of our Board of Directors, we have increased our engagement in the United States in order to take advantage of our competitive currency, and leverage the international trade agreements Canada signed in 2015.

Brazil



In late February/early March 2015, Invest Toronto conducted a mission to Brazil with the Consider Canada City Alliance, a team of 11 economic development and FDI attraction agencies from Canada's large cities that works together to promote Canada as an ideal destination for global trade and investment. Leveraging the upcoming Pan/Parapan American Games that would take place in Toronto later in 2015, the Consider Canada City Alliance travelled to São Paulo and Rio de Janeiro, after a brief stop in Miami to generate leads and encourage companies to visit Toronto that summer and consider business opportunities in Canada's largest city. In advance of the mission, Invest Toronto worked in partnership with Global Affairs Canada to organize a successful Pan Am themed media tour that visited Toronto to learn more about the city's dynamic technology sector.

Each year, the Greater Toronto Marketing Alliance conducts a business mission to Brazil, and Invest Toronto is pleased to be a part of the delegation that makes annual visits to this important market. In late October/early November 2015, the Greater Toronto Marketing Alliance travelled to São Paulo, before moving on to Santiago, Chile, and Bogotá, Colombia. Councillor Ana Bailão from our Board of Directors attended a portion of the trip on behalf of the City of Toronto, visiting São Paulo and Santiago, to meet with companies in the food and beverage and technology sectors. In addition, Councillor Bailão made a presentation about Toronto's tech sector to the ABRAGAMES technology association in Brazil.

China



As part of Invest Toronto's China investment attraction strategy for 2015, our team participated in the Consider Canada City Alliance 2015 Investment Roadshow to China in partnership with Invest in Canada, visiting various cities in southern and eastern China. In order to leverage our presence in market, Invest Toronto also held its own separate program, which was organized by our lead generation firm in Asia.

The objective of the investment mission was to identify inbound FDI opportunities from China to Toronto, reconnect with existing clients, secure new opportunities for the City of Toronto, and promote our in-market presence through our local lead generation firm. The strategy of this mission was to work with our government of Canada colleagues and Consider Canada City Alliance members, engage in high-level B2B meetings with Chinese executives, as well as to work with Invest Toronto's in-market partners and active clients.

In late October/early November, Invest Toronto conducted a return mission to China leveraging the services of our lead generator. The team conducted B2B meetings with potential investors, reconnected with existing clients, and attended the Canada China Business Council (CCBC) Annual General Meeting in Shanghai. During this mission, Invest Toronto also conducted preliminary planning for an upcoming mission to China for Mayor John Tory in 2016.

India



Building on our strategy to engage investors from India, Invest Toronto organized a mission to the cities of Delhi, Bangalore, and Mumbai in late April 2015. Our team was joined by the Chair of our Board, and the Director of Economic Development and Culture at the City of Toronto. The Film Commissioner and Director of Entertainment Industries for the City of Toronto participated in the mission as well.

This mission was an opportunity to follow up on the previous visit that our Chair and City staff representatives made to India in fall 2014 on behalf of Invest Toronto, as well as past missions that Invest Toronto staff has made to India, a market that our team strives to touch at least once per year. The timing of the mission was excellent, as it followed a week after Indian Prime Minister Modi's visit to Canada, where he met with Mayor John Tory in Toronto, and which had received extensive press coverage in India and therefore heightened the business community's interest in Canada. Invest Toronto worked very closely with Ontario's Senior Economic Officer in Delhi throughout this mission.

European Union



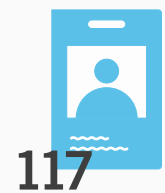
In light of the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), Canada's most ambitious trade initiative to date, Invest Toronto renewed efforts to connect with clients and generate new leads in the European Union (EU). By eliminating tariffs and gaining secure access to the EU market—the largest and most lucrative in the world—access not enjoyed by our major competitors, CETA will create jobs and opportunities for Canadians in every region of the country.

In late November 2015, Invest Toronto participated in a Consider Canada City Alliance mission to Europe, visiting the cities of Rotterdam, Zurich, and Stockholm. The Consider Canada City Alliance members conducted B2B meetings with companies from the following sectors: technology, financial services, business services, life sciences, clean technology, infrastructure, and agri-food processing. Invest Toronto invited the Greater Toronto Marketing Alliance to accompany us on this mission, and both teams travelled to Europe one week in advance of the Consider Canada City Alliance mission to hold additional B2B meetings in Brussels.

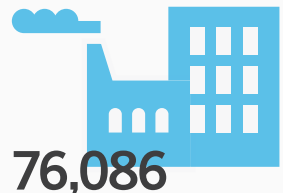
25 New Investments in 2015

Working with global investors from a range of markets and business sectors, the Invest Toronto team facilitated 25 new investments in Toronto and the Greater Toronto Area (GTA) in 2015. These investments in both Toronto and the region are critical to the continued development of the regional economy, as they create valuable jobs and bring in new capital that further benefits the entire region.

Investments in Toronto and the Greater Toronto Area in 2015 facilitated the creation of:



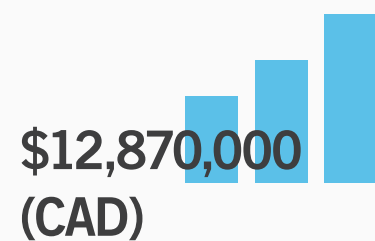
immediate jobs, increasing to 287 within the next two to three years



square feet of occupied office and manufacturing space in the Toronto region



in property taxes



contributed to GDP, projected to be CAD\$31,570,000 within the next two to three years

(This GDP number will have a multiplier effect on the Toronto region's economy and will continue to increase with new successful investments in future years)

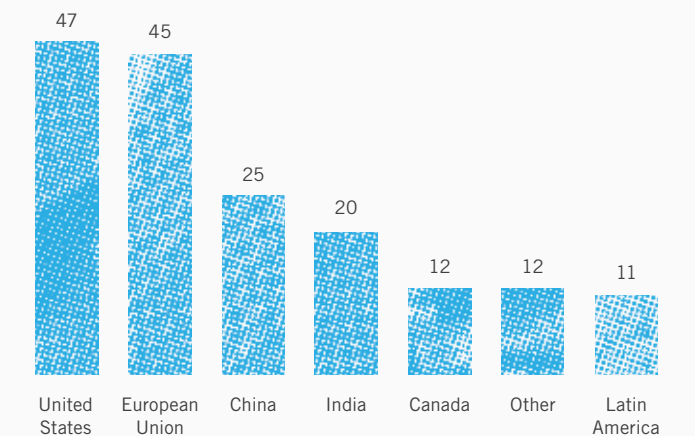
*Based on estimates provided by the City of Toronto (2015), \$12/square foot and \$110,000/employee (This number is an average of GDP in current dollars for all industries)

*These GDP numbers are based on immediate and short term hiring but do not include future projected growth and expansion, which will further enhance and benefit the region.

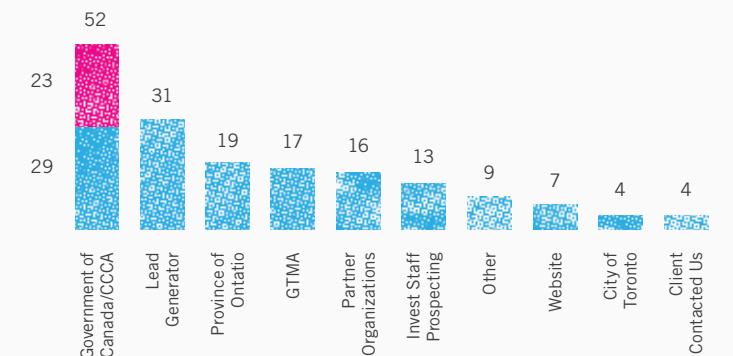
FDI Opportunities, 2015

In 2015, the Invest Toronto team engaged with 172 FDI opportunities, which represented potential investments in Toronto and the Greater Toronto Area. These FDI opportunities came from 30 countries, with the majority coming from the United States and the European Union. Many of these opportunities were referred to Invest Toronto through our solid network of public and private sector partners, such as Global Affairs Canada, the Consider Canada City Alliance, the Ministry of Economic Development, Employment and Infrastructure, the Greater Toronto Marketing Alliance, and our in-market lead generator in China for 2015. In addition, Invest Toronto actively seeks out new opportunities through our international business missions by conducting targeted outreach, and using marketing tools such as our website and social media accounts. Finally, the 172 opportunities identified in 2015 were from key business sectors, with the majority coming from the technology, financial services, and media industries.

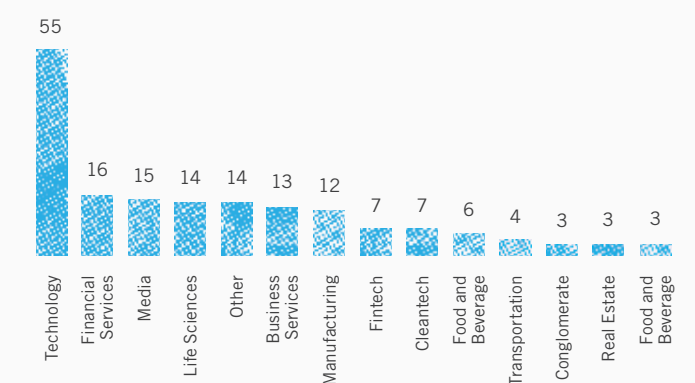
FDI Opportunities Generated by Country, 2015



Source of New FDI Opportunities, 2015



FDI Opportunities Generated by Sector, 2015



Of the 1,046 FDI opportunities the Invest Toronto investment services team has serviced since 2010, 172 new opportunities were added in 2015.

NEW INVESTMENTS IN 2015*

*This list does not include three additional companies that expanded to Toronto in 2015 but were unable to make their investment public at the time this report was published.

Axxy

Technology – United Kingdom

Axxy is a mobile-first enterprise order-to-cash application delivered as software-as-a-service (SaaS) that makes it easy to sell more while improving time-to-cash. The company is headquartered in the United Kingdom with offices in London, San Francisco, and most recently, Toronto. Invest Toronto was first connected with Axxy by a venture capital firm in Palo Alto.

Bailey Nelson

Retail – United Kingdom

Founded in 2012, Bailey Nelson is a provider of prescription sunglasses, sunglasses and non-polarized sunglasses at a fair price to the style savvy. Their newest boutique is located in the trendy Queen Street West neighbourhood in downtown Toronto. Bailey Nelson was referred to Invest Toronto by the Ontario International Marketing Centre in London, England.

“Bailey Nelson was excited to launch in Toronto – a dynamic and energetic city. Apart from being a progressive cultural, financial, and economic centre, Toronto is cosmopolitan and home to a large, fashion forward community. I had an outstanding experience with the Ontario International Marketing Center in the U.K. and Invest Toronto. They provided critical support in the set-up of Bailey Nelson Canada and were professional and efficient throughout.”

Michael Andersen, Founder, Bailey Nelson

Biolab Farmaceutica (GTA)

Life Sciences – Brazil

Biolab Farmaceutica is a Brazilian-owned, privately-held pharmaceutical company that was introduced to Invest Toronto during our investment mission to Brazil in 2015 with the Consider Canada City Alliance and Global Affairs Canada. As part of the company’s global expansion plans, Biolab chose the Greater Toronto Area as the location for its new, 1,000 square meter R&D centre. We were pleased to work with our in-market provincial colleagues and especially with our counterparts in Mississauga on this important investment to enhance the life sciences sector in the Toronto region.

“When we started planning our R&D centre abroad, we wanted to set it up in an innovative region with incentives and openness to partnerships and business. We found these features in Ontario, which has the ideal conditions for us to move forward in our pursuit of cutting edge innovation.”

Cleiton de Castro Marques, CEO, Biolab Farmaceutica

Black Bread & Jam

Consulting Services – Italy

Black Bread & Jam introduces design professionals to the best Italian-made products and furnishing for residential and hospitality projects. From their new Toronto showroom, the company showcases the best of Italian design to its North American client base.

“We decided to choose Toronto because it is the perfect city to build a new business. Everything is growing here, and there are a lot of investments, in particular in our business sector. The city is beautiful, people are friendly, and it is very easy to live and work here.”

Giuseppe Avesani, CEO, Black Bread & Jam

Elmwood Electronics

Technology – United States

Introduced to Invest Toronto by Global Affairs Canada, U.S. distributor of Maker Electronics, Chicago Electronic Distributors, established Toronto-based Elmwood Electronics in 2015 to address growing demand in Canada.

“We are very happy to be a part of Toronto’s phenomenal community of makers, and it is exciting to be at the epicenter of the Maker Movement in Canada.”

Craig LeMoine, Founder, Elmwood Electronics

Green Earth Building Maintenance

Business Services – United States

Invest Toronto was introduced to Green Earth Building Maintenance by Global Affairs Canada. This veteran-owned American commercial cleaning company specializes in environmentally-friendly cleaning standards. Green Earth is a preferred vendor to a major electronic commerce and cloud computing company and has expanded to Toronto to support the growing local presence of one of its key clients.

Manjya

Technology – Israel

Manjya is a web-based platform that connects chefs to customers who seek and appreciate good, wholesome food. Manjya chose to establish its headquarters in Toronto, seeing an opportunity to tap the city's growing market of professionals with busy lifestyles who still wish to maintain a healthy, balanced diet. Manjya was referred to Invest Toronto through our contacts in the Toronto venture capital community.

“Manjya is all about people cooking for people, supporting local communities and small businesses. Toronto is an excellent fit for our first market, with a base of hungry, time-challenged clients who appreciate healthy eating, combined with a pool of talented, diverse personal chefs. By opening in Toronto, we have access to investment partnerships, employees, and a target market that will help us focus our business model and grow across the country. Invest Toronto has been a true, supportive partner as we set up our home base in the city.”

Gil Eiges, Co-Founder, Manjya

JLABS

Life Sciences – United States

JLABS @ Toronto is the result of collaboration between Janssen Inc., the Ontario Government, the University of Toronto, and the MaRS Discovery District (MaRS). The successful Johnson & Johnson Innovation, JLABS incubator model will open in 2016 at MaRS, and will support start-ups with lab space, programs, and potential investment partners as it works to build important, successful early-stage companies.

“Toronto is home to a vibrant and prolific healthcare and life sciences community led by academic hospitals, world-class research institutions, top scientists, and a strong startup ecosystem. For these reasons, Toronto is a natural choice for our first international expansion of JLABS. The Johnson & Johnson Family of Companies has long been active within the Toronto community, forming many important collaborations. Our new location, within a University of Toronto site, close to our hospital collaborators, and neighbouring the financial centre of Canada, will deliver great opportunities and impact for emerging biomedical technology entrepreneurs.”

Melinda Richter, Head of JLABS, Johnson & Johnson Innovation

Nanoleaf

Cleantech – Hong Kong

Referred to Invest Toronto by Global Affairs Canada, Nanoleaf is a sustainable startup technology company, which designed the world's most efficient LED lightbulb. Currently, from its Toronto location, the company is developing a Smart LED Bulb.

Northeastern University

Education – United States

Northeastern University is set to launch its first international campus in 2016 in Toronto. As a global leader in experiential learning, Northeastern will offer professional graduate programs in Toronto that are tailored to meet the needs of learners and employers in the region. Northeastern is currently in the process of recruiting a local CEO and establishing a permanent campus in downtown Toronto.

Lighthouse Labs

Technology – Canada

Based in Vancouver, Lighthouse Labs is a coding boot camp for software developers which boasts a 100 per cent employment rate for its graduates. Lighthouse Labs expanded to Toronto in 2015, and plans to grow its new Toronto office in 2016 to include an innovative co-working space focused on developing and mentoring programmers.

Odyssey Services

Technology – France

Odyssey Services provides seamless messaging services to companies that need to share information electronically. Based in France, Odyssey Services opened an office in Toronto to grow business opportunities in the North American market.

“We have decided to open our North American headquarters in Toronto because, thanks to Invest Toronto, we are convinced this city is the best place to launch and develop a successful business in North America. After reviewing the different criteria (costs, access to qualified manpower, business environment, etc.) in a number of North American cities (Boston, Chicago, New York, and San Francisco), it has become obvious that Toronto would be the perfect spot for Odyssey Messaging Solutions.”

Gregory Ogorek, CEO, Odyssey Services Canada

Osprey & Associates (GTA)

Import/Export – Hong Kong

Osprey & Associates is a Hong Kong-based exporter of electronics and electrical appliances. The company was referred to Invest Toronto by the Greater Toronto Marketing Alliance, and has set up its first Canadian location in the Greater Toronto Area.

Ortec Finance

Financial Technology – Netherlands

Referred to Invest Toronto by Global Affairs Canada, Ortec Finance is a global provider of technology and advisory services for risk and return management based in the Netherlands. Its new downtown Toronto location is Ortec Finance's first foray into the North American market.

“‘Amazing’ – that is in one word how welcome we have felt in Toronto when starting our new office here. As Ortec Finance, we are providing financial institutions with software to improve their decision making to reach their clients' goals. Given the great fit with the Canadian culture, the prestigious universities, and our business success in Toronto, we have decided to open an office here. Toronto is a great, multicultural city and a perfect location for us to expand our activities in Canada. Invest Toronto was a great help in figuring out all the practical challenges, ranging from finding an office space to arranging a work permit. We would highly recommend them to other companies.”

Pieter Wijnhoven, Senior Vice President, Ortec Finance

Season Automation

Technology – Canada

Automation or automatic control is the use of various control systems for operating equipment or other applications with minimal or reduced human intervention. First introduced to Invest Toronto by the Greater Toronto Marketing Alliance, Season Automation opened its first office in Toronto in 2015.

Service Works (GTA)

Technology – United Kingdom

Introduced to Invest Toronto by the Ontario International Marketing Centre in London, England, Service Works is a U.K.-based international provider of comprehensive facilities, real estate, and workplace management software. The company selected the Greater Toronto Area for the location of its first North American office.

“It has been a pleasure working with Invest Toronto. Their assistance has allowed Service Works Global to expand in Toronto and we now employ a local resident! Many thanks.”

Eric Ariscot, General Manager, Service Works Global – Canada

Silent Gliss

Materials – United Kingdom

Based in the United Kingdom, Silent Gliss is a leading global supplier of curtain tracks and blinds. From its new sales and marketing office in downtown Toronto, Silent Gliss is enhancing its Canadian and North American customer base. Invest Toronto was first connected with the company by the Ontario International Marketing Centre in London, England.

Validus Risk Management

Financial Technology – United Kingdom

Based in the United Kingdom, this financial risk management company was referred to Invest Toronto by the Ontario International Marketing Centre in London, England. After expanding its business in 2015, Validus Risk Management can better serve its North American clients from its new Toronto location.

“We decided to launch our North American expansion from Toronto as the city is one of North America’s leading financial services hubs, and is particularly renowned for financial technology, which is a rapidly expanding part of our business. Our initial experience has been very positive, and we have already established successful client relationships in two core sectors: private equity and non-financial corporations.”

Kevin Lester, Co-CEO,
Validus Risk Management

Soho Media

Technology – Luxembourg

Specializing in sports statistics software for print and digital publications, Luxembourg-based Soho Media Solutions relocated its Chicago office to Toronto to support its growing Canadian client base. Invest Toronto was introduced to Soho Media by Global Affairs Canada.

“Invest Toronto helped make our company’s expansion to Toronto a smooth one. Entering a new market comes with a lot of unknowns, and Invest Toronto assisted us whenever we had a need.”

Caleb Benoit, Director of Operations –
North America, Soho Media Solutions

TOPdesk

Technology – Netherlands

Founded in the Netherlands over 20 years ago, TOPdesk, a global provider of service management software solutions, already serves various markets in Europe and the U.S. Invest Toronto was introduced to TOPdesk by Global Affairs Canada, and assisted with the establishment of its first Canadian location in Toronto in 2015.

“We have experienced a very warm welcome in Toronto from knowledgeable organizations like Invest Toronto advising us on how to expand our business to Canada. For TOPdesk, we are confident that Toronto is the right gateway to the Canadian market.”

Wouter Hooghiemstra, International Business Development, TOPdesk

truRating

Technology – United Kingdom

truRating is a U.K.-based technology firm which allows customers to rate their customer experience with a business at point-of-sale. Introduced to Invest Toronto by the Ontario International Marketing Centre in London, England, the company has launched its first North American location in downtown Toronto.

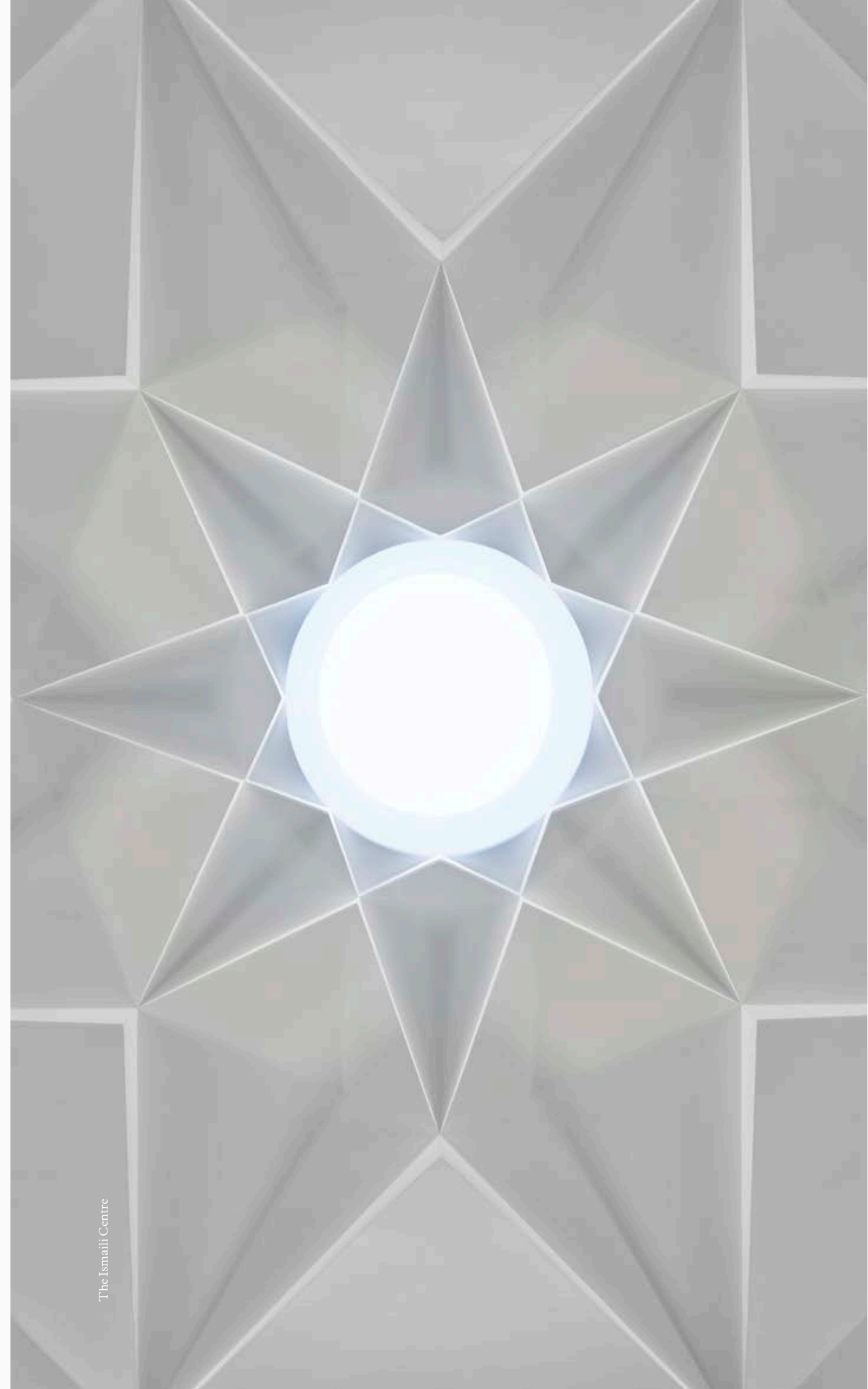
Siteimprove

Technology – Denmark

Headquartered in Copenhagen, Denmark, Siteimprove helps web teams build a better web experience with easy to use web governance tools. Recognizing strong growth opportunities in the Toronto market, Siteimprove opened a new (and quickly growing) office in 2015.



Invest Toronto participates in a panel discussion at the 2015 LatAm Startups Conference in Toronto



We help
international
companies
launch,
grow and
thrive in
the Toronto
market.

The Aga Khan Museum

BUILDING ON OUR SUCCESS

The Toronto area has evolved into a global business centre that connects companies to the world. Sixty-seven percent of the global economy is accessible from Toronto Pearson International Airport by daily, non-stop scheduled flights. In addition, Porter Airlines has recently received U.S. Customs Preclearance at the downtown Toronto Billy Bishop Airport, making business travel to major U.S. cities even easier and more convenient. These two airports serve the entire Toronto region, providing non-stop and same-plane service to 200 global destinations in 55 countries.

It is no surprise then, that the two largest business hubs in the country are located next to these airports; downtown Toronto remains the region's — and the country's — population and jobs anchor, while the nation's second largest employment zone is clustered around Toronto Pearson International Airport.¹

When companies choose to locate in Toronto, they are making a strategic decision that provides them not only access to the North American market, but to a variety of global opportunities through our international trade agreements and the increasing interconnectivity of global business hubs. Easy access to other

important markets is crucial to business expansion efforts, while also enjoying the competitive cost advantages, economic stability, unmatched talent, and superior quality of life that Toronto affords. Invest Toronto communicates these advantages to our clients every day; but the true testament to Toronto's standing as a global business centre comes from our clients themselves. When companies choose a Toronto location for the expansion of their business, and experience growth and success in their new location, we share their stories with the world to encourage other business leaders to consider the merits of doing business in Canada's financial and commercial centre.

¹ Toronto Pearson and Urban Strategies, Inc., *Pearson Connects: A Multi-Modal Platform for Prosperity*, February 2016



“Based in the U.K., truRating is the world’s first consumer feedback tool that operates on the payment device, with one anonymous question when you pay. We have taken over 1 million ratings in our first eight months of operations and we are currently expanding globally. Having gone live in Australia, we have now set our sights on North America. When looking at our North American strategy and based on Canada’s maturity in the payment and retail spaces, we saw Toronto as a perfect route to market into Canada and the U.S. Invest Toronto helped us understand the relationships we needed to make and the steps across all business processes on how to succeed in setting up a Canadian business. Without their support, we would have spent thousands of dollars trying to work out office space, recruitment strategies, and financial and legal processes.”

Jonathan Horsman,
Head of truRating Canada

truRating lets you rate your experience with a business at the moment you pay for a product or service, providing a quick and simple way to offer feedback to help businesses get better at what they do.

Noting that businesses were looking for a way to collect feedback from their customers, and that customers would be happy to provide feedback in a way that is quick and easy, truRating engineered a point-of-sale ratings system that would be fit for all requirements. Intuitive, fast, and capable of delivering real insight for any kind of business, truRating also allows the customer to have their voice heard with a simple tap from 0-9. The ratings for each business are then displayed on the truRating

website, allowing customers to search for great businesses based on accurate and trustworthy ratings from real customers. As the ratings come in, businesses can see where they’re doing well (and not so well) through a truRating analytics dashboard, providing them with the insight they need to improve their services and in turn, enhance their business offering.

Established in the United Kingdom in 2013, truRating has won numerous awards for its services, and is now planning to expand globally, opening its first North American location in Toronto. Invest Toronto was first introduced to truRating in February 2015 by the Ontario International Marketing Centre in London, England. Invest Toronto worked closely with truRating over the course of 2015, introducing their team to local service providers that can assist with incorporation and setting up

its Toronto operations. In addition, once truRating identified the head of its new Canadian office in Toronto, Invest Toronto connected him with the Senior Advisor, Technology Sector at the City of Toronto as well as representatives of the Toronto Financial Services Alliances and the Ministry of Economic Development, Employment and Infrastructure to assist with providing a soft landing in its new location. In May 2015, senior executives from truRating’s head office in London travelled to Toronto to learn more from government officials about tax credits, incentives, and the technology startup ecosystem in Toronto, and to tour potential locations for its new office space in the city. Invest Toronto also welcomed truRating to our offices on a number of occasions to use our Boardroom for job interviews when truRating was ready to hire local talent to head up its Toronto operations.



Photo: Nanoleaf

Nanoleaf is a Hong Kong-based startup company that has designed the world’s most efficient LED lightbulb.

The company was founded by three engineering graduates, two from Hong Kong and one from Canada, who met at the University of Toronto. When Nanoleaf considered expansion into a new market, Toronto became the clear choice for establishing its North American operations, since all three founders had lived in the city and knew what Toronto has to offer to a progressive, innovative cleantech startup like theirs. Since expanding operations to the city, Nanoleaf has won several awards for its innovative products. The Nanoleaf One and Nanoleaf Bloom bulbs have been awarded the prestigious Red Dot Design award for design excellence, and Nanoleaf One has been honored with the Global Efficiency Medal from the SEAD — an expansive, 17-country sustainability organization — recognizing it as one of the most energy efficient bulbs in the world.

“The Invest Toronto team was a pleasure to work with. They were a great help in connecting Nanoleaf with both public and private sector partners that have allowed us to establish our office in Toronto. Furthermore, we’ve been lucky enough to receive their ongoing support as we continue to grow our business here. Moving back to Toronto was a natural move for Nanoleaf. Our three founders are all University of Toronto engineering grads and they always knew they would come back to Toronto to open up an office here. We have access to support systems and resources that are not available anywhere else in the world. From the benefits of the location itself and the amazing government support and incentives, to the impressive employment pool, being here is a no-brainer. This city is a natural fit for the company and we are proud to call Toronto home.”

Gimmy Chu, Founder and CEO of Nanoleaf; **Irteza Omar,** Director of Business Development, Nanoleaf

First referred to Invest Toronto by Global Affairs Canada in June 2014 and in collaboration with the Greater Toronto Marketing Alliance, our investment services team worked closely with the company over the course of the next year. We assisted with finding suitable office space in the city, connecting Nanoleaf with industrial designers that it can collaborate with on its innovations, and identifying conferences and trade shows that would be the ideal venues for Nanoleaf to network and make contacts within the Toronto design and technology community. With the support of Invest Toronto and the city’s thriving startup ecosystem, Nanoleaf has successfully introduced its groundbreaking sustainable lighting solutions to the North American market.



"The Toronto region has a very vibrant and solid life sciences ecosystem, and all the public and private actors within the health innovation value chain seem to share a common goal: to make Ontario one of the most important health clusters in the world. All the support we have received since the beginning from Invest Toronto and Ontario government staff was pivotal to our decision to come to Canada, instead of relocating to one of the industry's usual suspects like New Jersey. We see our R&D center as the company's first step toward a successful experience in Canada. We are confident that this investment will accelerate Biolab's innovation pace, while at the same time it will contribute to the achievement of Ontario's vision for the future!"

Jayme Alexandre Dias de Lima,
Head of Corporate Strategy, Biolab

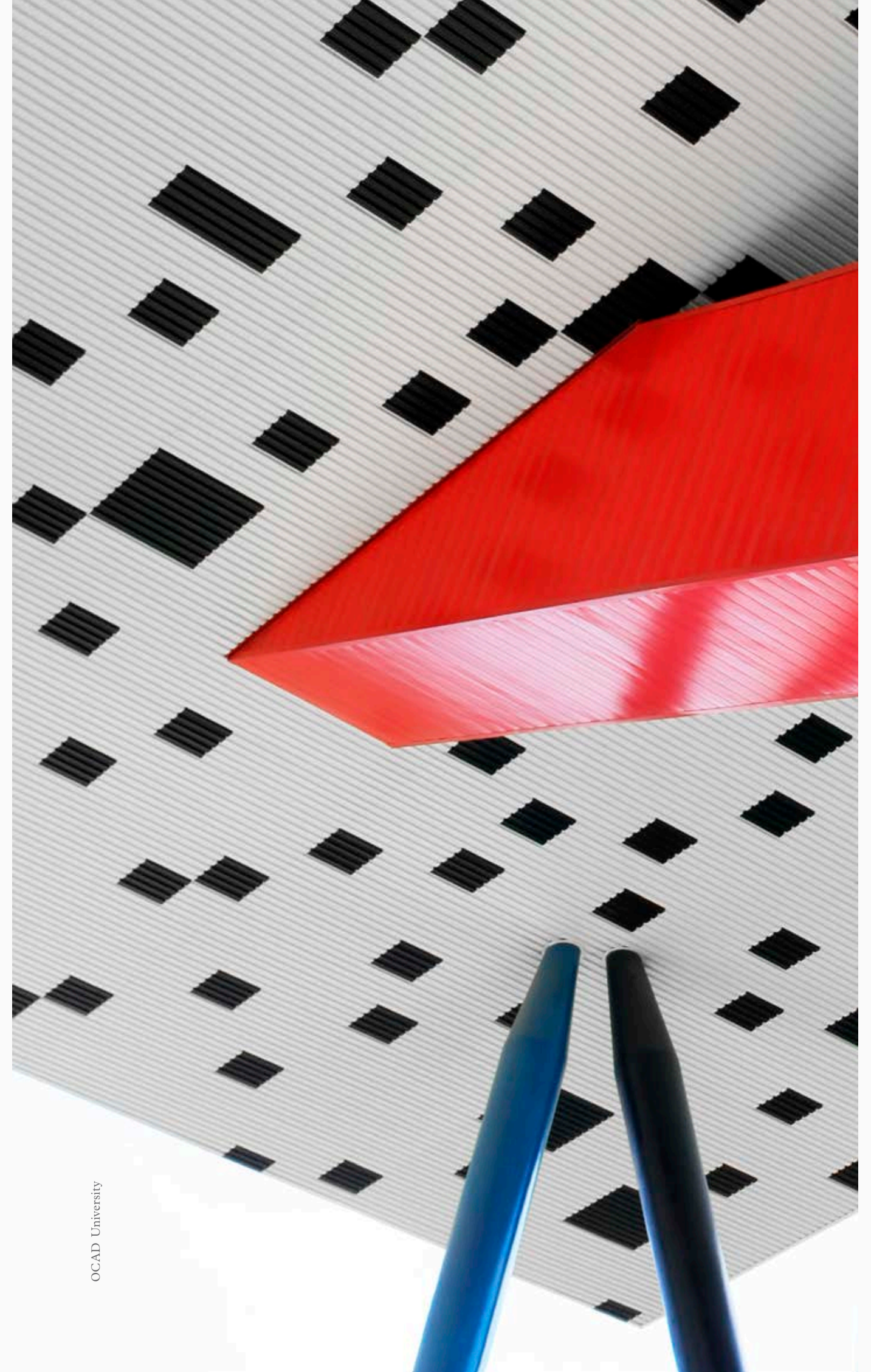
A 100 per cent Brazilian-owned, privately-held pharmaceutical company, Biolab was founded in 1997, and its growth has been based on its commitment to provide the Brazilian population with quality healthcare solutions.

A leader in prescription drug sales for cardiology, and ranked fourth in sales for dermatology in Brazil, the company also plays an important role in gynecology, orthopedics, rheumatology, and pediatrics, and has over 100 products in its portfolio.

With an initial investment of BRL \$20 million (approximately CAD \$8 million) in equipment, facilities and technical staff, Biolab Farmacêutica announced the opening of a Research and Development (R&D) Centre in the Greater Toronto Area in August 2015. This investment is part of Biolab's global expansion plans. In the initial stage, 20 specialized professionals will work in the new facility. The 1,000 square meter

R&D centre in Mississauga will be an extension of Biolab's Itapeverica da Serra R&D centre in Brazil, and the two operations will be fully integrated.

Invest Toronto met with BioLab during the Consider Canada City Alliance and Invest in Canada mission to Brazil. We subsequently worked closely with the commercial section at Canada's Consulate General in São Paulo, the Commercial Consul of Ontario in Brazil, the City of Toronto, and the City of Mississauga to arrange an extensive tour of the life sciences industry in the Toronto region and to assist with identifying potential locations for Biolab's new Canadian R&D centre.



Toronto is consistently hailed as one of the most liveable cities and best places to do business.

BUILDING ON OUR REPUTATION

*There is no question that Toronto is making a name for itself internationally. Our city ranked as a Top 10 global financial centre in 2015 by the **Global Financial Centers Index (GFCI)**, was named world's most liveable city by the **Economist and Metropolis Magazine**, and received accolades as the most sustainable city with the best business tax climate in **Business Facilities' 11th Annual Rankings Report: Metro and Global Rankings**. These are just a few instances in 2015 where Toronto received global recognition. Toronto has become a hotbed for business, discovery, and innovation, and the world is taking note. As the business and financial capital of Canada generating 20 per cent of the country's Gross Domestic Product (GDP), Toronto provides the ideal business environment for competitive, innovative, and progressive companies looking for an ideal entry point to access the North American market.*

Over the last six years of operations, Invest Toronto has come to know the city and its business offering like the back of our hands. We know the opportunity Toronto affords to international investors, and with the help of our partners, we have developed a robust understanding of the city's diverse economy, building our expertise in its major business sectors. Working closely with our shareholder, the City of Toronto, through the sector specialists and the Business Retention and Expansion staff in the Economic Development and Culture Division, we have serviced companies from all sectors across all corners of the globe and assisted them with discovering Toronto's

unique business offering in their industry. In addition, in collaborating with our federal and provincial partners both here at home and in their in-market posts across the globe, we have provided them with the information they need to build their knowledge of the Toronto area and its business environment so that they, in turn, can act as our in-market ambassadors, telling the world about the merits of a Toronto location. Over the years, our partners have also referred "leads," or interested investors, to the Invest Toronto team for us to provide a better understanding of the opportunities, incentives, and benefits of expanding their businesses to Toronto.



Invest Toronto participates in an Invest in Canada mission to China

In order for our partners to feel confident that any lead they send to Invest Toronto will be greeted by a team that upholds the highest standard in client servicing, Invest Toronto also worked to build our own reputation with our federal, provincial, and municipal counterparts. Working hard over the last six years to generate mutual trust and confidence in our service offering, our team has demonstrated how Invest Toronto's efforts help to bring valuable investments to the Toronto area, which in turn create high quality jobs for the entire region.

Invest Toronto has also worked hard to build our reputation among the clients we serve. When we



Chelsa Mayhew and Giovanni Gonzalez of Invest Toronto model their new Bailey Nelson glasses at the company's new Queen Street West location

successfully assist business leaders with navigating the Toronto business community, connecting them with both public and private sector service providers, and guiding them through the process of establishing their business in a foreign country, we build their confidence in our team. These relationships have resulted in direct client referrals to new companies that are interested in establishing a Toronto location, which helps Invest Toronto to identify future opportunities for investment in our city. As we work toward the creation of a new regional investment attraction agency for the Greater Toronto Area, nurturing these partnerships will be crucial to our efforts to promote the business attributes of the entire Toronto region.

FDI Opportunities, 2010-2015

Looking back at the last six years of operations, Invest Toronto has worked with our partners to identify 1,046 FDI opportunities from 2010 – 2015. These FDI opportunities came from 58 countries, with the majority coming from the European Union, China, the United States, and India. These opportunities were also from a variety of business sectors, with the majority coming from the technology, cleantech and advanced manufacturing industries. Of these opportunities, Invest Toronto facilitated 113 new investments in Toronto and the Greater Toronto Area over the last six years.

6 Years of operations

1,046 FDI opportunities

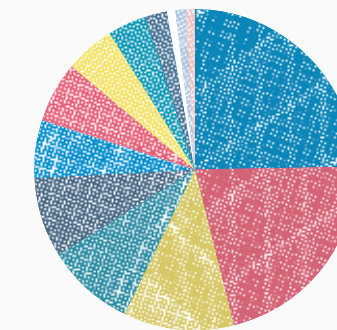
58 Different countries

113 Investments in the Toronto area



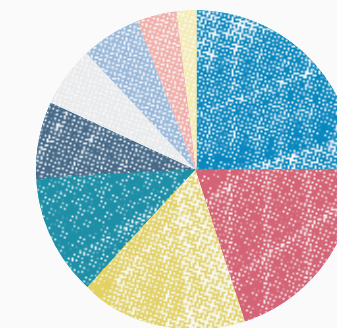
The Invest Toronto team visits a client in China

Source of FDI Opportunities, 2010 – 2015



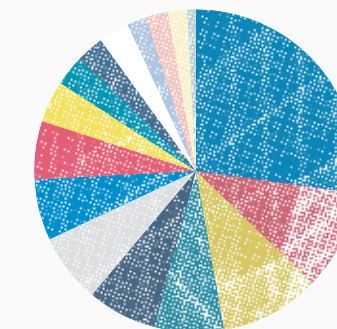
- Government of Canada - 24.5%
- Lead Generator - 21.5%
- Province of Ontario - 11%
- Client Contacted Us - 9%
- GTMA - 8%
- Partner Organizations - 6%
- Website - 6%
- City of Toronto - 5%
- Invest Staff Prospecting - 4%
- Other - 2%
- Advertising - 1%
- Existing Client - 1%
- Board member - 1%

FDI Opportunities by Country, 2010 – 2015



- European Union - 25%
- China - 20%
- United States - 17%
- India - 12%
- Middle East - 8%
- Latin America - 6%
- Canada - 6%
- Asia - 4%
- Other - 2%

FDI Opportunities by Sector, 2010 – 2015



- Technology - 27%
- Cleantech - 10%
- Manufacturing - 10%
- Life Sciences - 7%
- Real Estate - 7%
- Business Services - 7%
- Financial Services - 6%
- Food and Beverage - 6%
- Other - 4%
- Fashion and Apparel - 3%
- Entertainment - 3%
- Media - 3%
- Transportation - 2%
- Conglomerate - 2%
- Venture Capital - 2%
- Education - 1%



Photo: Setaj Ladd

From left to right:
 K. DeGrace
 R. Lane
 Councillor
 Carmichael Greb
 A. Kanji
 T. Currie
 M. Williams
 Councillor
 Thompson
 L. Preyma
 S. Bower
 K. Koster
 J. Leung

Absent:
 Councillor Bailão
 M. Corrin
 G. Hewitt
 P. McQuillan
 Deputy Mayor
 Minnan-Wong

2015 Board of Directors

The Invest Toronto team would like to thank our Board of Directors for their commitment to our organization and the city we serve. Their guidance, support, and active involvement in our activities have been invaluable to our efforts to attract global businesses to Toronto.

**Councillor
 Michael Thompson**
Chair

Robert Howard Lane
Vice-Chair

**Deputy Mayor
 Denzil Minnan-Wong**
Mayor's Designate

**Councillor
 Ana Bailão**
Director

Steve Bower
Director

Matthew Corrin
Director

Tyler Currie
Director

Keith DeGrace
Director

**Councillor Christin
 Carmichael Greb**
Director

Gregory Hewitt
Director

Aleem Kanji
Director

Kim Koster
Director

Jason Leung
Director

Patricia McQuillan
Director

Lida Preyma
Director

Michael Williams
Director



Photo: Setaj Ladd

From left to right:
 M. Switzer
 S. Hussaini
 K. Hansen
 C. Mayhew
 G. Gonzalez
 T. O'Leary
 J. Sakas
 T. Tian
 M. Abdulaziz
 N. Boroun
 M. Stewart

2015 Management & Staff

Over the last six years, Invest Toronto has welcomed a diverse, skilled, talented and motivated staff complement that has contributed immensely to our success. Each member of our team has offered a unique and valuable perspective and approach to our mission to attract foreign direct investment to the City of Toronto. The Toronto community has welcomed their engagement on behalf of our international clients, and we have been proud to work alongside our dynamic and growing business community to engage new global investors in the region. We are grateful to all of our staff for their commitment to our remarkable city and their dedication to excellent client servicing. We are very proud of everything we have been able to accomplish together to build a global Toronto.

Terrie O'Leary
*Interim President
 and CEO
 Executive
 Vice President,
 Operations*

Winston Young
*Chief Financial
 Officer (Shared
 Services with Toronto
 Port Lands Company)*

Michael Stewart
*Business
 Development
 Executive*

Julia Sakas
*Communications and
 Marketing Manager*

Niloo Boroun
*Manager, Investment
 Services and Global
 Markets*

Giovanni Gonzalez
*Investment Services
 and Global Markets
 Advisor*

Sarah Hussaini
*Investment Services
 and Global Markets
 Advisor*

Matthew Switzer
*Investment Services
 and Global Markets
 Advisor*

Tina Tian
*Investment Services
 and Global Markets
 Advisor*

Chelsa Mayhew
*Investment Services
 and Global Markets
 Advisor*

Melec Abdulaziz
Office Manager

Kimberly Hansen
Receptionist

Partners

Since our inaugural year in 2010, Invest Toronto has worked closely with our shareholder, the City of Toronto, in addition to our partners, the federal and provincial governments, the Toronto Financial Services Alliance, and the Greater Toronto Marketing Alliance, to bring new business and high value jobs into the city.

We truly could not have achieved the results we have seen for the city without their assistance, support, and client referrals. In addition, working with our partners, we have been able to enhance our knowledge of key Toronto business sectors, of the Toronto region as a whole, and of the various supports available to interested investors through the sharing of valuable industry information and service provider contacts. Finally, our partnerships have allowed us to expand our reach in market as we leverage the overseas offices of the federal and provincial governments to assist with identifying leads and following up with companies after meeting them in market to advance the relationship and build the client's awareness of the business opportunities in Canada's largest city. Invest Toronto is truly grateful for these relationships and hopes to continue to work closely with our partners as we move toward

a regional approach for the future.

We would also like to thank our partner and sister agency, the Toronto Port Lands Company, the largest landowner along the city's waterfront, with which we have shared administrative services since 2010. Its accounting and human resources support has been invaluable to our team, in addition to its support for the Invest Toronto Board of Directors. Another valued partner to Invest Toronto is the Toronto Region Board of Trade, the chamber of commerce for Canada's largest urban centre, connecting more than 12,000 members and 250,000 business professionals and influencers throughout the Toronto region. Finally, our partner agency, BUILD TORONTO, the City's real estate and development corporation, has assisted with identifying surplus properties that can be used for investment or redevelopment purposes.

Councillor Thompson, Councillor Bailão, George Spezza, Director, Business Growth Services at the City of Toronto, Stephane Larue, Consul General of Canada in São Paulo and Todd Barrett, Senior Economic Officer for the Government of Ontario in São Paulo meet with Investe São Paulo



Photo: Investe São Paulo



Photo: Invest in Canada

Over the years, Invest in Canada, a division of Global Affairs Canada, has been an invaluable support to Invest Toronto, especially through its Invest Canada – Community Initiatives (ICCI) program. The goal of ICCI is to increase employment by supporting Canadian communities' collaborative efforts to attract, retain, and expand foreign direct investment. Through the ICCI program, Invest Toronto has been able to enhance our lead generation and marketing initiatives over the years through this cost-sharing arrangement with Invest in Canada.

Another important federal partner for Invest Toronto has been the Consider Canada City Alliance, with whom we have conducted at least two missions per year. As a united front, the CCCA helps international companies determine the best strategies for business expansion

into Canada's dynamic cities, and continually improves Canada's ability to attract new investment and trade opportunities. We look forward to continuing to work with the CCCA as we transition to a regional approach for attracting investment to the Toronto area.

We are very proud of the way that Canada has emerged as a global leader that offers international businesses a unique value proposition. Representing Canada's financial capital, our ability to promote that offering is very much dependent on our partnerships and the work we do in collaboration with the provincial and federal governments, who represent our diverse province and country to the world. We value our partnerships, and hope to further enhance these important relationships in the years to come.

The Toronto team with the Consider Canada City Alliance delegation in Switzerland

BUILDING A GLOBAL PROFILE

TORONTO REGION

\$304B

\$304 Billion economy

40%

Home to 40% of Canada's business Headquarters

5+6

5 Universities + 6 Colleges

20%

Generates 20% of Canada's GDP

130M

130 million people within a 500 mile radius

6.2M

25 municipalities and 4 regions with a total population of over 6.2 million

51%

51% of the population is foreign-born

CANADA

#1

#1 country for business in the G-20

AAA

Triple A credit rating

#1

#1 soundest banking system in the world for 8 consecutive years

#1

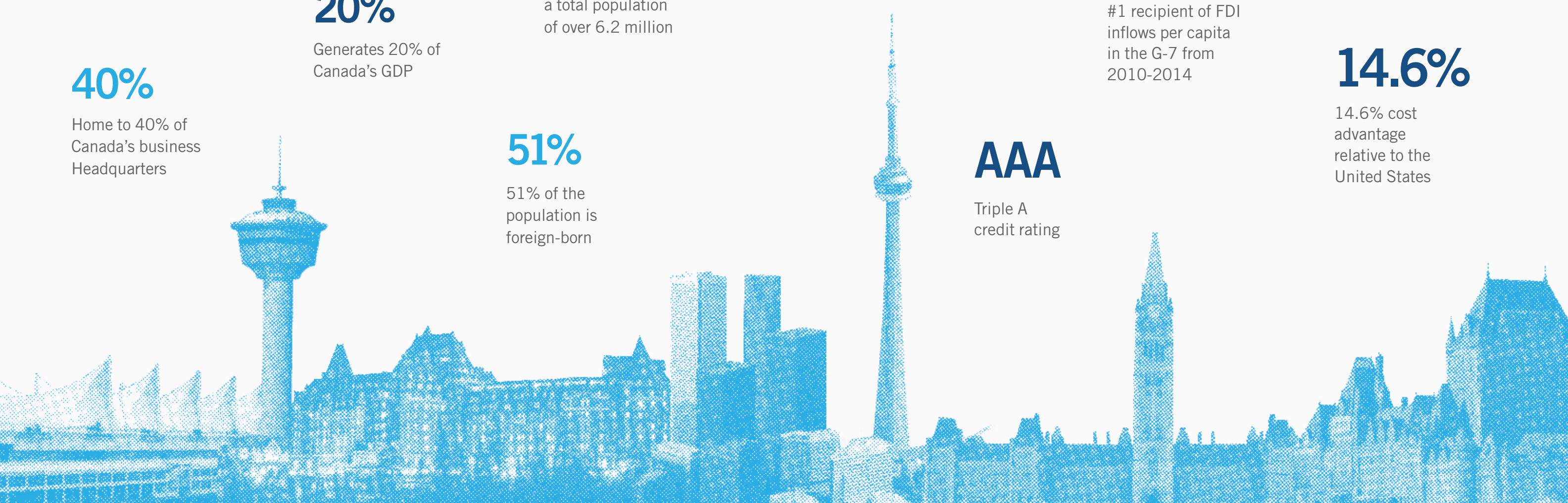
#1 recipient of FDI inflows per capita in the G-7 from 2010-2014

#1

#1 easiest place to start a business in the G-20

14.6%

14.6% cost advantage relative to the United States



INVEST TORONTO 2015 AUDITED FINANCIAL STATEMENTS

INVEST TORONTO

Photo: Setta Ladd

Independent Auditor's Report

To the Shareholder of
Invest Toronto Inc.

We have audited the accompanying financial statements of Invest Toronto Inc., which comprise the statement of financial position as at December 31, 2015 and the statements of operations, changes in net debt and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally

accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by

management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Invest Toronto Inc. as at December 31, 2015 and the results of its operations, re-measurement gains and losses, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants,
Licensed Public Accountants

Toronto, Ontario
May 6, 2016

INVEST TORONTO INC. STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2015

	Note	December 31, 2015	December 31, 2014
		\$	\$
Financial assets			
Cash	10	343,809	443,503
Restricted investments	3	50,058	50,078
Amounts receivable		133,995	85,573
		527,862	579,154
Liabilities			
Accounts payable and accrued liabilities	4c	273,344	188,212
Due to related parties	4b	299,216	482,547
Deferred capital contributions	6	51,516	55,094
		624,076	725,853
Share capital			
Authorized and issued			
1 common share		1	1
		624,077	725,854
Net debt		(96,215)	(146,700)
Non-financial assets			
Tangible capital assets	5	51,516	55,094
Prepaid expenses		44,699	91,606
		96,215	146,700
Accumulated surplus		–	–

The accompanying notes are an integral part of these financial statements.

Approved on Behalf of the Board

Rob H. Lane

Director

Michael J. Boyson

Director

INVEST TORONTO INC.
STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2015

	Note	Budget (Note 13)	2015	2014
		\$	\$	\$
Revenues				
Operating grant from TPLC	4a	2,610,500	2,336,123	2,642,299
Amortization of deferred capital contributions	6	70,000	48,089	51,463
Sponsorship revenue	7	–	–	125,000
ICCI contribution	8	52,500	116,203	65,000
Other income		4,500	3,121	5,660
Total revenue		2,737,500	2,503,536	2,889,422
Expenses				
Salaries and benefits	4b 9	1,592,500	1,418,051	1,787,166
Professional fees and project costs		215,000	295,709	84,434
Office expenses		233,780	175,572	216,674
Promotion and marketing		214,500	197,188	359,312
Office rent		274,320	269,544	268,303
Meetings, seminars and conventions		137,400	99,383	122,070
Amortization of tangible capital assets		70,000	48,089	51,463
Total expenses		2,737,500	2,503,536	2,889,422
Operating surplus/loss		–	–	–

The accompanying notes are an integral part of these financial statements.

INVEST TORONTO INC.
STATEMENT OF CHANGES IN NET DEBT

FOR THE YEAR ENDED DECEMBER 31, 2015

	Budget (Note 13)	2015	2014
	\$	\$	\$
Operating surplus/loss	–	–	–
Write off of tangible capital assets	–	–	12,349
Acquisition of tangible capital assets	(85,000)	(44,511)	(30,031)
Amortization of tangible capital assets	70,000	48,089	51,463
	(15,000)	3,578	33,781
Acquisition of prepaid expenses	–	(44,699)	(91,606)
Use of prepaid expenses	–	91,606	159,023
	–	46,907	67,417
(Increase) decrease in net debt	(15,000)	50,485	101,198
Net debt at beginning of year	(139,023)	(146,700)	(247,898)
Net debt at end of year	(154,023)	(96,215)	(146,700)

The accompanying notes are an integral part of these financial statements.

INVEST TORONTO INC.
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
	\$	\$
Operating transactions		
Operating surplus/loss	–	–
Deferred contribution recorded in sponsorship revenue	–	(125,000)
Amortization of tangible capital assets	48,089	51,463
Amortization of deferred capital contributions	(48,089)	(51,463)
Write off of tangible capital assets	–	12,349
Adjustment to deferred capital contribution	–	(12,349)
Straight-line rent adjustment	663	(1,123)
	663	(126,123)
Change in non-cash working capital balances		
Accrual of interest on restricted investments	20	–
Amounts receivable	(48,422)	103,233
Prepaid expenses	46,907	67,417
Accounts payable and accrued liabilities	84,469	(149,670)
Due to related parties	(183,331)	308,033
	(100,357)	329,013
Cash provided by (used in) operating transactions	(99,694)	202,890
Financing transactions		
Deferred capital contributions received for tangible capital assets	44,511	30,031
Cash provided by financing transactions	44,511	30,031
Capital transactions		
Acquisition of tangible capital assets	(44,511)	(30,031)
Cash applied to capital transactions	(44,511)	(30,031)
Increase (decrease) in cash during the year	(99,694)	202,890
Cash at beginning of year	443,503	240,613
Cash at end of year	343,809	443,503

The accompanying notes are an integral part of these financial statements.

INVEST TORONTO INC.
NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2015

1. Nature of operations

Invest Toronto Inc. (the Corporation) was incorporated on November 13, 2008 under the *Business Corporations Act* (Ontario) pursuant to S.148 of City of Toronto Act, 2006 and Ontario Regulation 609/06, City Services Corporations.

The City of Toronto owns the one issued common share of the Corporation. The mandate of the Corporation is to engage in promotional activities and services to encourage economic development to and in the City of Toronto and all ancillary and collateral matters relating thereto (see Note 12). The Corporation has been classified as an other governmental organization.

As a municipal corporation under Section 149(1) of the *Income Tax Act* (Canada), the Corporation is exempt from income taxes.

2. Summary of significant accounting policies

Basis of accounting

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards (PSAS). The significant accounting policies are as summarized below.

Share capital

The Corporation's one issued common share is recognized as debt and presented separately in the statement of financial position.

Revenue recognition

Revenue is reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes measurable and collection is reasonably assured.

The Corporation receives transfers of funds from the Government of Canada, the City of Toronto and the Toronto Port Lands Company (TPLC), which have certain stipulations associated with the use of the funds. These transfers are recognized as revenue in the year in which

these stipulations have been met, except to the extent that the transfers give rise to a liability. A liability recognized in this manner is reduced and an equivalent amount of revenue is recognized as the liability is settled.

Transfers used for the purchase of tangible capital assets are deferred and amortized into revenues at a rate corresponding to the amortization rate of the related asset.

Financial instruments

The following table presents the classification of financial instruments:

Assets/Liabilities	Measurement
Cash	fair value
Restricted investments	amortized cost
Due to related party	amortized cost
Amounts receivable	amortized cost
Accounts payable and accrued liabilities	amortized cost

Restricted investments

Restricted investments are investments set aside as security for the use of a credit facility.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and fixtures	5 years
Computer equipment	3 years
Leasehold improvements	straight-line basis over the term of the lease

Impairment of tangible capital assets

The Corporation reviews the valuation of tangible capital assets whenever events or changes in circumstances indicate the carrying value may not be recoverable. When indicators of impairment of tangible capital assets exist, a writedown of the residual value is recognized in the statement of financial position. Writedowns are not reversed.

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Office occupancy costs and deferred lease escalations

The Corporation has renewed its operating lease to occupy its current head office premises. Rent expense is recorded in office occupancy costs on a straight-line basis over the term of the lease. Differences between the straight-line rent expense and the payments, as stipulated under the lease agreement, referred to as lease escalations, are included in accounts payable and accrued liabilities.

Use of estimates

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates are based on the information available at the date of preparation and reviewed annually to reflect new information as it is available. Measurement uncertainty exists in the financial statements primarily related to impairment in accounts receivable and tangible capital assets. Actual results could differ from those estimates.

3. Restricted investments

Restricted investments include a guaranteed investment certificate (GIC) of \$50,000, which has been set aside as a security for a revolving credit card facility. This investment certificate has an annual yield of 0.6% (December 31, 2014 - 0.8%), and a maturity date of October 22, 2016, with a provision for redemption after 30 days of acquisition. The revolving credit card facility has a \$50,000 limit, and \$6,336 (December 31, 2014 - \$1,207) has been drawn on it as at December 31, 2015, which is included in accounts payable and accrued liabilities.

4. Related party transactions

- a) The Corporation has received a grant from TPLC, an affiliated company owned by the City of Toronto, to cover operating and capital expenditures incurred during the year. This is pursuant to a Grant agreement entered into by the two corporations for a five-year period starting in 2009, with a provision for an automatic renewal for subsequent periods of one year each until terminated by either party. At the end of the five-year term ended December 31, 2013, the agreement was automatically renewed for two additional one-year periods for a grant amount agreed to by the Board of Directors of both companies (see Note 12). The total value of the grant provided by TPLC as at December 31, 2015 is \$2,380,634 (December 31, 2014 - \$2,672,330). Of this, \$2,336,123 (December 31, 2014 - \$2,642,299) has been used to fund operations and \$44,511 (December 31, 2014 - \$30,031) has been used to fund capital additions.
- b) The due to related parties amount of \$299,216 (December 31, 2014 - \$482,547) is the amount to be reimbursed by the Corporation to TPLC for funds advanced for operations. There is no set term of repayment for these amounts and no interest is being charged by TPLC. The Corporation has agreed with TPLC to share certain administrative, accounting and other corporate services on a cost allocation basis. During the period, the Corporation has paid to TPLC \$124,528 (December 31, 2014 - \$115,118) as shared services costs.

The transactions for shared corporate services are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

- c) Accounts payable and accrued liabilities include \$12,960 received from the Economic Development and Culture department, a division of the City of Toronto, to fund the design and development of City's Start-up Eco-system online portal, which the Corporation is engaged to complete on City's behalf. This project will be completed in 2016.

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5. Tangible capital assets

			2015
	Cost	Accumulated amortization	Net
	\$	\$	\$
Computer equipment	119,977	80,461	39,516
Leasehold improvements	91,936	91,936	–
Furniture and fixtures	151,936	139,936	12,000
	363,849	312,333	51,516

			2014
	Cost	Accumulated amortization	Net
	\$	\$	\$
Computer equipment	87,466	59,611	27,855
Leasehold improvements	91,936	81,035	10,901
Furniture and fixtures	139,936	123,598	16,338
	319,338	264,244	55,094

6. Deferred capital contributions

Deferred capital contributions consist of the following:

	2015	2014
	\$	\$
Balance – Beginning of year	55,094	88,875
Contributions received from TPLC (Note 4a)	44,511	30,031
Adjustment during the year	–	(12,349)
Amortization	(48,089)	(51,463)
Balance – End of year	51,516	55,094

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7. Sponsorship revenue

The Corporation recognized sponsorship revenue in the year ended December 31, 2014 relating to money received in a prior year from related parties which was used for a marketing initiative on behalf of the City of Toronto that satisfied the stipulations associated with the use of the funds. For the year ended December 31, 2015, \$Nil was received.

8. ICCI contribution

The Corporation received a contribution of \$116,203 (December 31, 2014 - \$65,000) from the Government of Canada toward eligible expenditures incurred pursuant to the Invest Canada-Community Initiatives (ICCI) of the Global Commerce Support Program.

9. Salaries and employee benefits

Included in the salaries and benefits expense are the Corporation's current service contributions to the OMERS pension plan totalling \$91,603 (December 31, 2014 - \$121,632).

The Corporation makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), which is a multi-employer pension plan, on behalf of some of its employees. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan.

Since OMERS is a multi-employer pension plan, any pension plan surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees. As a result, the Corporation does not recognize any share of the OMERS pension surplus or deficit.

10. Financial instruments

Fair value

The Corporation's financial instruments consist of cash, restricted investments, amounts receivable, accounts payable and accrued liabilities and due to related parties. The carrying values approximate their fair values due to their short-term maturity.

The Chartered Professionals Accountants of Canada Public Sector Accounting Handbook Section 3450 requires disclosure of a three-level hierarchy for fair value measurements based on the transparency of inputs to the valuation of a financial asset or a financial liability at the financial statement date. The three levels are defined as follows:

- Level 1 – Fair value is based on quoted market prices in active markets for identical financial assets or financial liabilities.
- Level 2 - Fair value is based on observable inputs other than Level 1 prices, such as quoted market prices for similar (but not identical) financial assets or financial liabilities in markets that are not active, and other inputs that are observable or can be corroborated by observable market data for sustainability over the full term of the financial assets or financial liabilities.
- Level 3 – Fair value is based on non-observable inputs that are supported by little or no market activity and that are significant to the fair value of the financial assets or financial liabilities.

As at December 31, 2015, cash of \$343,809 (December 31, 2014 - \$443,503) is classified as Level 1.

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Risk management

The Corporation's operating activities expose it to a range of financial risks. These risks include credit risk, liquidity risk and currency risk, which are described as follows:

• Credit risk

Credit risk on financial instruments is the risk of a financial loss occurring as a result of default or insolvency of a counterparty on its obligation to the Corporation. The total carrying value of cash, restricted investments and amounts receivable as presented in the statement of financial position represents the maximum credit risk exposure as at the date of the financial statements.

The cash deposit and GIC are held by a Schedule 1 Canadian financial institution, which reduces the Corporation's exposure to credit risk. Of the amounts receivable, \$116,416 has been received subsequent to December 31, 2015.

• Liquidity risk

Liquidity risk is the risk of being unable to settle or meet commitments as they come due. As at December 31, 2015, the Corporation expects it will meet all obligations due within one year which will be met through cash and other resources, together with funding from TPLC (Note 12).

• Currency risk

Virtually all of the Corporation's transactions are denominated in Canadian dollars. As at December 31, 2015, the Corporation held no financial instruments that were denominated in currencies other than the Canadian dollar.

11. Commitments

Future commitments for rent of the Corporation's premises are as follows:

	\$
2016	114,894
2017	115,999
2018	119,313
2019	119,313
2020	89,485
	559,004

12. Economic dependence

The Corporation does not earn sufficient revenues from sources other than TPLC to fund its current operations. As a result, the Corporation is economically dependent on TPLC to fund its ongoing operations.

The Corporation and TPLC entered into a Grant agreement for a five-year period starting in 2009, with a provision for an automatic renewal for subsequent periods of one year each until terminated by either party. At the end of the five-year term ended December 31, 2013, the agreement was automatically renewed for two additional one-year periods for a grant amount agreed to by the Board of Directors of both companies. This agreement was terminated by TPLC effective January 1, 2016 pursuant to the City's decision to create a regional foreign direct investment agency and the possible merger of the corporation into the same.

A short term grant agreement has been entered into by the two corporations for a period of two quarters ending June 30, 2016, for a grant amount agreed to by the Board of Directors of both companies as a transitional funding arrangement until such time that the regional agency is fully functional.

13. Budgeted figures

Budgeted figures have been provided for comparison purposes, and have been derived from the estimates prepared predominantly on an accrual basis and approved by the Board of Directors of the Corporation.

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