



**SUMMARY
FINANCIAL
INFORMATION
2017-19**

Message from the Board Chair

As Chair of the Board at CMC Research Institutes, I have witnessed how governments, industry and the public at large are changing their perspectives on climate, energy and global wellbeing. I have also watched our organization successfully adapt to this evolving world. The past two years have been especially exciting as we demonstrate resilience to shifting politics, policies, and dynamic change in technologies.

CMCRI has been strengthened with a more directed mandate and a strategic plan which focuses on reducing greenhouse gas emissions through technology and strategy development. This is the first time we have so clearly linked our key mission – developing and implementing innovative, commercially viable technologies – with the development of climate strategies. This makes perfect sense.

Innovation cannot and does not occur in a vacuum. To progress to the commercialization stage, technologies must solve real-world challenges and create value for a company or an economy. CMCRI's unique assets (we call them Research Institutes) are the testing and proving grounds for some of the most innovative industrial emissions management technologies in the world. This, coupled with our network of researchers, private businesses and end users, positions us as a partner of choice, able to connect stakeholders to build high-impact, cost effective solutions.

We are very proud that the Canadian government supports our unique place in the 'innovation ecosystem' to reduce Canada's industrial emissions, which are by far Canada's largest source of emissions. A recent \$2.7 million investment through Western Economic Diversification Canada will allow us to carry forward with our mission. Our work helps Canadians remain competitive in the global innovation market while also addressing the country's emissions targets.

Looking ahead, we will continue to refine our services as we keep pace with the rapidly changing world. Public attention to climate change is growing and with it support for solutions. All credible experts say we cannot reach climate targets without addressing industrial emissions through carbon capture, utilization and storage and the situation is becoming urgent.

CMC Research Institutes recognizes both the significance of the climate challenge and the importance of energy to human life and well-being. We also know that our role in supporting climate efforts is crucial. We are one of the few companies in Canada with the experts and facilities to develop and deliver these innovations. Not only will our efforts lead to sustainable future, we are also providing high quality jobs and economic prosperity for Canadians.

Dan Zilnik
Chair of the Board



Dan Zilnik
BOARD CHAIR



Sandra Odendahl
PRESIDENT AND CEO

Message from the President and CEO

In my first two years as President and CEO, I've worked to set a new direction for the organization and make changes in Canada's approach to, and interest in, the carbon capture, utilization and storage sector. A stronger CCUS industry will not only open markets for the facilities and services offered by CMC Research Institutes, but more importantly it will put the country in a position to be a key supplier of technologies critical to decarbonizing industry, and ultimately help to support the very survival of the planet.

I'm pleased to report that we've made great strides toward both of these goals, and I'd like to provide just a few examples of our progress in the past 2 years.

Through the efforts of our hard-working team, we've commissioned the Field Research Station in Brooks, Alberta, and secured the sponsorship of five energy giants: Total, Shell, Equinor, Petronas and Chevron. Researchers from nine countries and 13 universities have projects on site to refine monitoring technologies that will ensure the secure, cost-effective implementation of carbon storage operations.

This kind of progress is also apparent at our carbon capture and conversion test centre near Vancouver, B.C., where we welcomed our first clients in 2019. One of them, Carbon Upcycling Technologies (a finalist in the \$20 million NRG COSIA Carbon XPRIZE challenge) came to us because they were confident in our abilities to provide an objective, third-party assessment of a novel capture technology. Our ambition has always been to provide the expertise and facilities required to rapidly and cost-effectively prove technologies, and it's rewarding to know that we're succeeding.

On the national scene, we are using multiple means to build a robust CCUS sector. Our goal is to establish a national network where developers, researchers and end users collaborate to meet the increasing global demand for CCUS technologies. In 2018, we worked with the Pembina Institute and Natural Resources Canada to host two workshops where stakeholders gathered to understand key finance and policy challenges facing the sector.

In 2019, we partnered with Canadian Business for Social Responsibility and released CarbonTech: A Primer on Carbon Capture, Conversion, Utilization and Storage Technologies. It was written in non-technical language to appeal to as broad an audience possible and has been praised as providing a much needed overview of these technologies. To read it, visit: www.cmcghg.com.

Momentum to act on the climate crisis is growing, and this makes CMCRI more relevant than ever. In the next year we will continue to drive toward accelerating technologies and strategies that can help reduce emissions in ways that make economic sense. Our reputation is founded on developing scientifically-proven solutions, and I am confident that with our outstanding partners and clients we will continue to meet with success as we follow that path.

Sandra Odendahl
President and CEO

Financial Data

(derived from audited financial statements)

Year ending	March 31, 2019	March 31, 2018	March 31, 2017
Revenue			
Fee for Services	\$ 397,909	\$ 149,255	\$ 149,244
Grants Recognized in the Period	2,990,405	3,252,980	2,636,733
In-Kind	78,956	439,200	63,014
Other	17,149	10,059	25,197
Total Revenue	3,484,419	3,851,494	2,874,188
Expenses			
Salaries and Benefits	1,139,754	1,308,493	1,290,518
Project Costs and Field Operations	322,974	143,209	-
Administrative	371,715	300,265	306,325
Business Expenses	64,856	39,128	89,567
In-Kind	78,956	439,200	63,014
Amortization	1,162,811	1,052,854	866,770
Total Expenses	3,141,066	3,283,149	2,616,194
Net Income	\$ 343,353	\$ 568,345	\$ 257,994

These statements are derived from the audited financial statements prepared for the organization and exclude the audit report, other pertinent statements and notes to the financial statements. Users are cautioned that these statements alone may be inappropriate for their purposes. For a copy of the audited financial statements, send a request to admin@cmcghg.com

Statement of Financial Position

(derived from audited financial statements)

As at	March 31, 2019	March 31, 2018	March 31, 2017
ASSETS			
Current			
Cash	\$ 2,055,718	\$ 882,821	\$ 1,487,965
Accounts Receivable	675,078	816,940	729,552
Prepaid	42,753	39,416	60,886
	2,773,549	1,739,177	2,278,403
Long Term			
AB Energy Regulator Deposit	44,052	42,134	42,134
Capital Assets	5,634,897	6,467,118	6,309,858
Total Assets	8,452,498	8,248,429	8,630,395
LIABILITIES AND NET ASSETS			
Current			
Accounts Payable and Accrued Liabilities	564,159	350,579	327,364
Deferred revenue	983,599	681,958	2,166,491
	1,547,758	1,032,537	2,493,855
Long Term Liabilities			
Deferred Contribution Related to Capital Assets	4,277,785	4,938,478	4,422,911
Decommissioning Provision	135,889	129,701	134,261
Total Liabilities	4,413,674	5,068,179	4,557,172
Net Assets	2,491,066	2,147,713	1,579,368
Total Liabilities and Net Assets	\$ 8,452,498	\$ 8,248,429	\$ 8,630,395

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