

# Investing for Growth

Annual Report 2023–2024

---



Canada 



# Table of Contents

**3**

Year at a glance

**8**

Message from CCC's Board Chair

**10**

Message from CCC's President and CEO

**12**

Government to government approach

**Business lines**

**Additional services**

**19**

Strategic Pillars and Results

**Growing Canadian exports through inclusive trade**

**Delivering value to Canada through operational excellence**

**Enhancing CCC's impact through environmental, social and corporate governance**



**36**

Management's  
Discussion and Analysis

**60**

Financial  
statements

**102**

Corporate governance  
and leadership

**112**

Glossary

**For more information**

Canadian Commercial Corporation  
350 Albert Street, 11th floor  
Ottawa, Ontario K1A 0S6

T: 613-996-0034 | F: 613-995-2121

Toll-free in Canada: 1-800-748-8191

Website > [ccc.ca](http://ccc.ca)

Sign up to access the Global Bid Opportunity

Finder > [gbof.ca](http://gbof.ca)

**Questions about our services**

Marketing department

Email > [info@ccc.ca](mailto:info@ccc.ca)

Media inquiries

Email > [communications@ccc.ca](mailto:communications@ccc.ca)

Canadian Commercial Corporation and the Canadian Commercial Corporation logo are trademarks of the Canadian Commercial Corporation. All other trademarks are the property of their respective owners. The information presented is subject to change without notice. The Canadian Commercial Corporation assumes no responsibility for inaccuracies contained herein. Copyright © 2024 Canadian Commercial Corporation. All rights reserved.

**Unless otherwise indicated, all monetary values are in Canadian dollars.**

# Year at a glance

- 4 CCC's impact on Canada's economy
- 6 Contributing to Canada's international agenda
- 6 Global reach



## CCC's impact on Canada's economy >

CCC operates at the crossroads of commerce and international relations to help Canadian businesses succeed in complex, highly competitive foreign government procurement markets. The Corporation facilitates exports from diverse sectors to deliver positive economic benefits to Canadian businesses and their employees through international revenue streams and by creating and maintaining Canadian jobs.

In 2023–2024, CCC helped 559 Canadian businesses<sup>1</sup> (approximately 80% small and medium-sized enterprises) secure **\$3.2 billion** in new export contracts. It was a record-breaking year, with the Corporation successfully exporting **\$3.6 billion** in goods and services from Canada to countries around the world, which helped create or sustain almost 15,000 jobs in Canada.

### Value of contracts signed (VCS)

# \$3.2 billion

in new contracts for Canadian businesses with foreign governments

### Commercial trading transactions (CTT)

# \$3.6 billion

in exports by Canadian companies

### Jobs supported globally

# 15,048

### Canadian businesses served\*

# 559

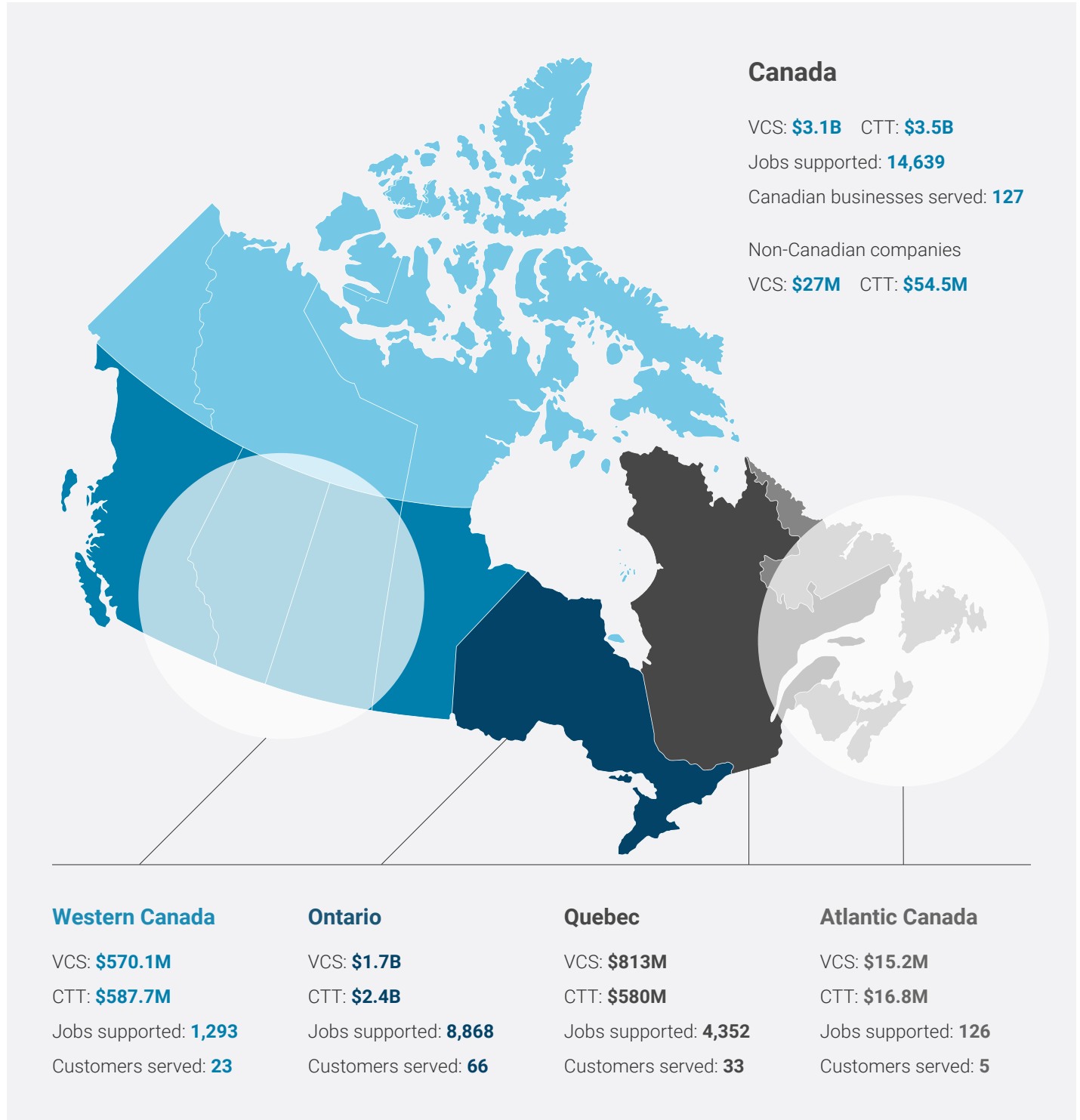
approximately 80% SMEs

*\*Businesses served refers to exporters under government-to-government contracts, businesses that CCC supported through various international pursuits but not yet under contract, and businesses for which CCC provided a referral or advisory service.*

<sup>1</sup> This document refers to Canadian businesses and Canadian customers. CCC's reach to Canadian industry extends far beyond the Canadian customers it has under contract (127), several of which draw services from more than one CCC business line. The 559 Canadian businesses referenced includes exporters that CCC supported on various international pursuits not yet under contract, as well as Canadian companies to which CCC has provided a referral or an advisory service.



## CCC's impact on Canada's economy in 2023–2024



## Contributing to Canada's international agenda >


CCC partners with Government of Canada departments and agencies to apply international contracting expertise to help deliver foreign aid to governments around the world. In 2023–2024, CCC delivered \$354.7 million of in-kind foreign aid and entered new contracts of \$255.7 million.

The Corporation is proud to continue working in partnership with Global Affairs Canada and the Department of National Defence to provide military equipment and other goods to support the Ukrainian government.




## Global reach >

CCC is the only Canadian government agency offering international contracting expertise to forge commercial contracts between Canadian businesses and foreign governments, thereby strengthening bilateral commercial relations between Canada and customer buying governments. For more than 75 years, governments around the world have entrusted CCC to reliably deliver made-in-Canada solutions for projects of national importance. The Corporation simplifies and expedites acquisitions by foreign governments from Canadian companies across a wide range of sectors, including aerospace, defence and security, information and communications technology, cleantech and energy, and public infrastructure.

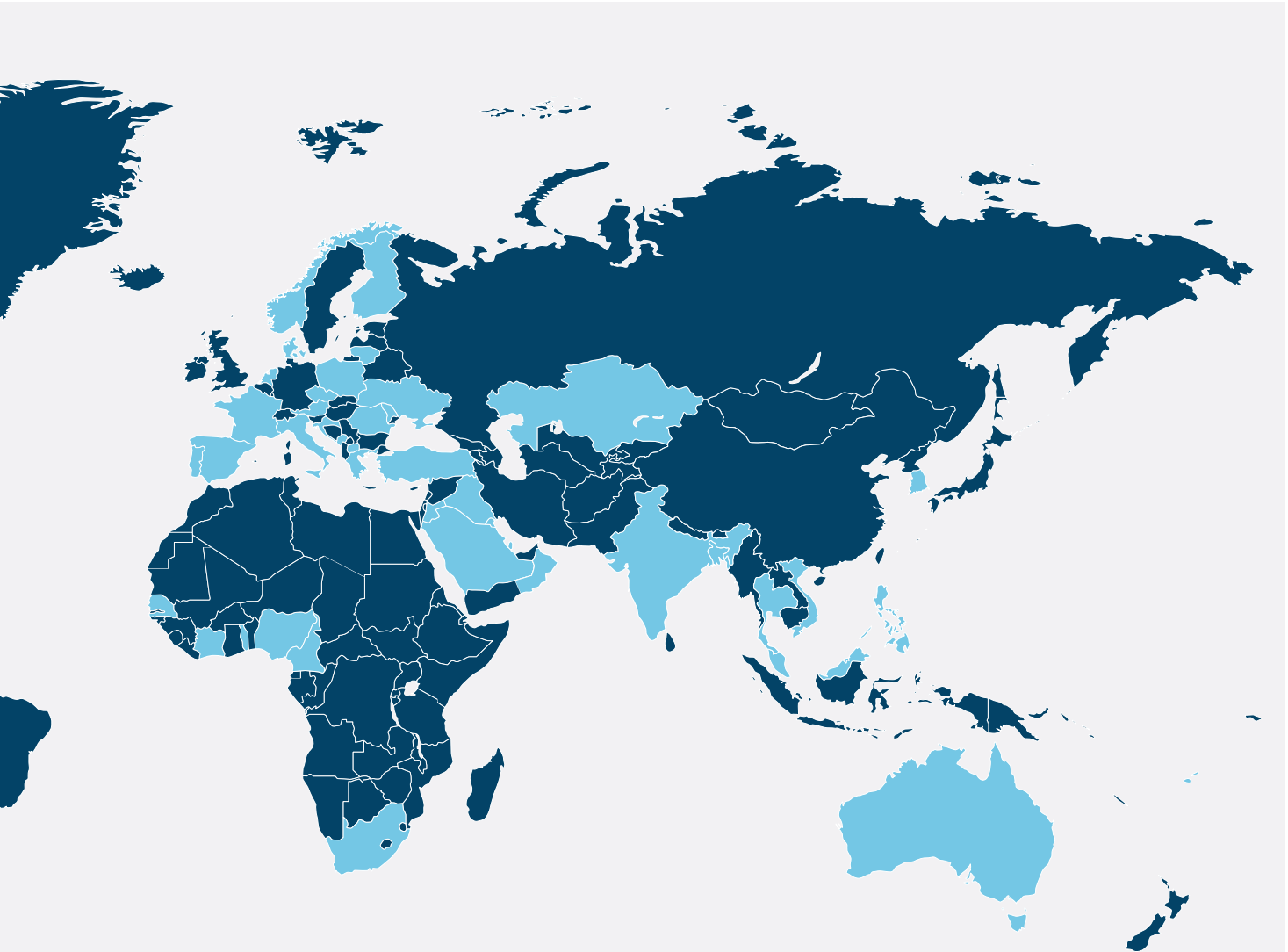
**CCC was active in 62 foreign countries in 2023–2024.**



**Business lines**

-  Defence Production Sharing Agreement (DPSA)
-  International prime contracting (IPC)
-  Sourcing for other government departments





- |               |                    |            |                 |              |               |
|---------------|--------------------|------------|-----------------|--------------|---------------|
| Argentina     | Czech Republic     | Greece     | Kuwait          | Norway       | South Africa  |
| Australia     | Denmark            | Guyana     | Lithuania       | Oman         | Spain         |
| Austria       | Dominican Republic | Haiti      | Malaysia        | Panama       | St. Lucia     |
| Bangladesh    | Ecuador            | Honduras   | Mexico          | Peru         | Thailand      |
| Cameroon      | El Salvador        | India      | Moldova         | Philippines  | Togo          |
| Chile         | Fiji               | Iraq       | Montenegro      | Portugal     | Turkey        |
| Colombia      | Finland            | Italy      | Morocco         | Qatar        | Uganda        |
| Costa Rica    | France             | Jamaica    | Netherlands     | Romania      | Ukraine       |
| Côte d'Ivoire | Germany            | Jordan     | Nigeria         | Saudi Arabia | United States |
| Croatia       |                    | Kazakhstan | North Macedonia | Senegal      | Vietnam       |
| Cuba          |                    | Korea      |                 | Sierra Leone |               |



## Message from CCC's Board Chair



CCC's continued commitment to Canadian exporters through its government to government contracting service helps drive the Canadian economy while engaging growing numbers of exporters. In 2023–2024, CCC helped Canadian exporters sign contracts for goods and services worth \$3.2 billion with governments around the world – an almost 40% increase over the previous year. CCC had a record year, supporting Canadian exporters in delivering goods and services to foreign governments with a value of more than \$3.6 billion.

While CCC's work in the defence and aerospace sectors remains strong, the Corporation is expanding into new strategic sectors. This includes green energy: a \$718 million international prime contract was signed this year to provide engineering support and reactor components for the Cernavoda Nuclear Power Plant in Romania.

In line with the Minister's most recent Statement of Priorities and Accountabilities (SPA) of June 2023, CCC continued to maximize the potential of our mandated business, the Defence Production Sharing Agreement (DPSA). With CCC's deep knowledge and expertise of the U.S. Department of Defence, the Corporation signed over \$1 billion in DPSA contracts this year (a 22% increase over the previous year).

CCC is also proud of the unwavering support it provided to the Government of Canada's aid efforts for Ukraine. With renewed and increasing Government of Canada commitments to Ukraine announced this year, CCC will deliver even greater assistance in 2024–2025.

The Corporation achieved total comprehensive income of \$23.5 million, comprised of a net profit of \$23.4 million in 2023–2024. This positive result is attributable to prudent financial management and higher than anticipated fees for service revenue due to the growth-focused strategy CCC implemented three years ago that is resulting in a larger number of Canadian exporters served. In view of these results, the Board of Directors is pleased to declare a dividend of \$10 million. CCC remains focused on growing our support for Canadian exporters, on sound risk management, and on appropriate oversight of new export agreements.

Our Environmental, Social and Governance (ESG) strategy sets the foundation for stronger environmental stewardship, broadens engagement with all sectors of Canadian industry in international trade, and bolsters influence across the exporter community to conduct international business responsibly and sustainably. CCC's ESG strategy also aligns with Canada's net-zero by 2050 objectives, including goals to reduce emissions from business activities by at least 2% per year.

I would like to thank Minister Mary Ng for her continued support of CCC's important work and her trust in our vision. I would also like to thank my Board colleagues for their dedication and stewardship, especially Nicole Verkindt, whose second term ended in September 2023 after almost ten years of service as a CCC Board member. I would also like to express my gratitude to CCC's management team and team members for their contributions throughout this record year.

CCC remains well-positioned to bring Canadian skills and experience to bear in foreign markets, and I am confident in its ability to strengthen bilateral commercial relationships with governments around the world while executing on the Government of Canada's trade agenda.



**Douglas Harrison**  
Chairperson



## Message from CCC's President and CEO



CCC helps Canadian companies win contracts with governments globally, and by doing so contributes to growing Canada's economy and creating jobs. We had an outstanding year, with \$3.2 billion in new contracts signed in 2023–2024. Between these new contracts and pre-existing contracts, CCC delivered \$3.6 billion in exports across a number of sectors that helped create and sustain almost 15,000 Canadian jobs.

Every contract that CCC undertakes is subject to the Corporation's robust due diligence process, a critical component of CCC's enterprise risk management program. These risk management processes and practices ensure Canadian exporters deliver on the terms and conditions of every contract as agreed upon with foreign buyers, thereby mitigating risks for the Government of Canada and by extension, all Canadians.

The Corporation also continued to drive digital initiatives to increase efficiency and value for Canadian exporters. With a new digital strategy this year, CCC is making investments to transform the Corporation's digital landscape. This involves re-engineering business processes, strengthening cyber security, and improving analytics to serve customers better than ever before while optimizing the capacity and resiliency of our workforce.

As a service-oriented organization, people are at the heart of CCC's operations. In 2023–2024, the Corporation's 118 employees delivered value for Canadians by generating the equivalent of approximately \$30 million of exports each.

Employees are our greatest asset, and our focus is increasingly on building a results-oriented, diverse and engaged workforce to support Canada's exporters. A new collective bargaining agreement in 2023–2024 included a compensation and benefit program that rewards and recognizes employees fairly and aligns with Government of Canada legislative initiatives, including the *Pay Equity Act* and *Accessible Canada Act* requirements.



The Corporation's impressive year would not have been possible without the support of our Board of Directors, collaboration with Government of Canada stakeholders, leadership from the Senior Management Committee, and the deep expertise and commitment of all CCC team members. I am proud of CCC's employees and thank them for their dedication and hard work.

As we look ahead, I am optimistic about CCC's ability to serve the evolving needs of Canadian companies even more effectively, and to support the Government of Canada's economic efforts and trade priorities in delivering more of Canada to the world.

**Juliet Woodfield (on behalf of Bobby Kwon)**  
Acting President and CEO



# Government to government approach

14 Business lines

17 Additional services



## Canada's government to government contracting agency >

A unique entity of the Government of Canada, CCC signs commercial contracts with governments around the world for the purchase of goods and services available for export from Canada. In turn, CCC signs contracts with Canadian companies who deliver on the terms and conditions of the government-to-government contracts signed by CCC.

CCC's contracts with foreign governments are backed by the Government of Canada and as such, carry a guarantee that contract terms and conditions will be met. This guarantee helps mitigate the buyer's risk and helps enable procurement from Canada. Government to government projects can be large, complex, and politically sensitive, requiring expertise that only an organization like CCC can offer. This collaboration on important acquisitions deepens bilateral relationships, reduces procurement risks for the supplier and the foreign buyer, and can strengthen the bankability of certain projects.

## Who uses G2G contracting? >

- Ministries responsible for major public infrastructure in need of urgent acquisitions that are low-risk and free of bribery and corruption.
- Ministries responsible for national security or defence, when competitive tendering is not feasible for urgency or national security reasons and exercising the national security exception to competitive tendering is feasible.
- State-owned enterprises and sub-national governmental entities, when scaling up or transforming the delivery of public services and expertise and technology is not available in their domestic supply base.

## Canada's G2G >

Canada's G2G allows foreign government buyers to engage with the Government of Canada through CCC while helping Canadian exporters co-develop tailored solutions that meet the specific needs of foreign buyers. CCC carries out rigorous due diligence on its Canadian exporters that includes integrity, technical, managerial, and financial assessments to ensure the proposed Canadian supplier can successfully deliver on contract requirements.

CCC takes on the role of prime contractor, negotiating contract terms and overseeing the exporter's performance through all phases of the contract. CCC's G2G contracts are backed by the Government of Canada, thereby reducing risk and enabling the international sale of Canadian solutions.

## Risk management for the Government of Canada >

In managing its multi-billion-dollar portfolio of G2G contracts, CCC ensures Canadian exporters deliver on the terms and conditions of every contract as agreed upon with foreign buyers. CCC's risk management processes and practices mitigate risks for the Government of Canada and by extension, all Canadians.

The Corporation undertakes robust due diligence prior to negotiating and signing contracts. This due diligence is a critical component of CCC's enterprise risk management program and provides the foundation on which CCC's contract managers do their work. Business risks relevant to the foreign environment are assessed and documented in consultation with Global Affairs Canada officials, with ministerial approval required for transactions over a certain dollar threshold.



## Defence Production Sharing Agreement: Canada's G2G channel for the U.S. Department of Defense

Canada and the United States have a unique G2G contracting relationship for military acquisitions from Canada that is anchored in the Canada-U.S. Defense Production Sharing Agreement (DPSA). Established in 1956, the DPSA allows Canadian companies to compete for Department of Defense (DoD) business on equal footing with their U.S. counterparts. This is by virtue of including Canada as part of the U.S. domestic supply base in DoD procurement legislation. The DPSA establishes CCC as the contract management agency and prime contractor for defence contracts with the U.S. DoD with a value above \$250,000.

Stemming from Budget 2021, a parliamentary appropriation was reinstated in 2022–2023 for CCC to administer Canada's obligations under the DPSA at no charge to Canadian companies. This provides:

- strengthened Canada-U.S. defence procurement cooperation under the U.S.-Canada Defence Production Sharing Agreement;
- support to an expanded defence supply base and enhanced U.S. DoD access to products and services from Canadian industry; and
- reduced barriers to the contracting process to help Canadian businesses sell their products and services to DoD.

## SPOTLIGHT >

### Delivering life-saving technology

This year, the United States Department of Defense awarded CCC a contract to supply up to US\$356 million of anesthesia and life-support system equipment from Thornhill Medical, based in Toronto.

As a global innovator, Thornhill Medical developed MOVES® SLC™ technology, a single unit life-support system offering complete vital signs monitoring and an oxygen concentrator. This portable and battery-operated life-support system can be safely carried in challenging environments, including conflict. Thornhill will also provide a vaporizer for gas anesthesia that can be carried in-hand to safely and accurately deliver anesthesia in challenging circumstances and terrain.





The DPSA broadens the supply base for DoD buyers by facilitating seamless access to Canadian industry. It also reduces their supply chain risk because of the due diligence process that CCC conducts on its Canadian exporters, including integrity, technical, managerial and financial assessments. The DPSA also streamlines contract administration, provides assurance of value for money, and carries the backing of the Government of Canada.

For Canadian companies, the DPSA provides expertise and support to sell their products and services to the U.S. military, including assistance with interpreting DoD acquisition language and helping smaller companies navigate the large and complex DoD acquisitions system.



## International Prime Contractor: Canada's G2G service for foreign governments

CCC's International Prime Contractor (IPC) service is designed to support Canadian business success in selling to foreign governments, providing an opportunity to strengthen Canada's bilateral commercial relationships. CCC achieves this by providing end-to-end service from contract negotiation to final delivery. The IPC service involves government buyers in a collaborative process with the Government of Canada that is supported by the expertise of the Canadian private sector in scoping a made-in-Canada solution to satisfy foreign buyer requirements.

The integrity, technical, financial and managerial capabilities of the Canadian exporter and their ability to successfully deliver on the contract have been fully assessed and vetted before CCC delivers an unsolicited proposal. This process significantly reduces procurement risks and increases successful project delivery. The pursuit arrangement offered by the IPC service allows CCC to advocate on behalf of Canadian businesses, to seek the right terms and conditions for contract success, and to troubleshoot throughout the process, from project development to final payment. CCC charges a fee for this service.

## SPOTLIGHT >



### Aviation excellence

CCC renewed a G2G contract with the Royal Netherlands Air Force (RNLAf) this year for training provided by the International Test Pilots School (ITPS) in London, Ontario.

An elite group of Dutch military pilots and engineers will complete a 12-month program focused on experimental flight test techniques for 15 aircraft types. The RNLAf officers will complete more than 500 hours of lectures and 120 flight hours to learn how to test new aircraft, systems, and sensors that will ultimately help them determine their suitability for intended missions.

ITPS is the world's largest independent school of experimental flight testing, with a history of training pilots and engineers from governments around the world, including Canada, Australia, Germany, and Korea. With a commitment to sustainable aviation and designated as a carbon neutral operator in 2022, ITPS is one of only eight fully recognized test pilot schools in the world.

## SPOTLIGHT >

### Clearing mines in Ukraine: A Sourcing success story

A CCC Sourcing contract is having a direct and positive humanitarian impact in Ukraine. In September 2023, demining machines provided by Canada, with support from CCC, had cleared 90 explosive devices in the Kherson region.

The de-mining project is an important part of Canada's overall humanitarian assistance program with Ukraine and a key part of the country's future reconstruction work. The World Bank estimates that the full demining package will cost more than \$37 billion, making contributions from Canada critical to addressing these challenges.

Working with Global Affairs Canada through the Weapons Threat Reduction Program, CCC procured and delivered six remote controlled demining systems from Global Clearance Solutions and 23 blast suits from Canadian company Med-Eng, with a total value of \$15 million.

In addition to the equipment, the contract provided operational and maintenance training for the State Emergency Service of Ukraine to clear landmines and other unexploded ordnance. The equipment is being used to restore agricultural lands for productive use.



### Sourcing: Supporting the Government of Canada's delivery of in-kind assistance

CCC is an executing agency for the Government of Canada's humanitarian and military in-kind foreign aid delivery. The Corporation leverages its international contracting expertise to support Government of Canada departments and agencies on a range of initiatives such as:

- delivering Canada's military aid contribution to Ukraine;
- providing urgent disaster relief support from Canada;
- equipping governments to fight cross-border crime, such as fraud and human trafficking;
- supporting international and domestic anti-terrorism efforts; and
- facilitating international endeavours, including scientific and medical collaborations.



## Additional services

### Global Bid Opportunity Finder

**3,769**

registered users in  
2023–2024

**43%**

owned or led by persons self-identifying  
as women, visible minorities, under 35,  
new Canadian, person with a disability,  
or 2SLGBTQIA+

**90%**

small and medium-  
sized enterprises  
(under 500 employees)

CCC assisted 397 new Canadian exporters in their trade journey in 2023–2024. This includes new users of the Global Bid Opportunity Finder and knowledge products, G2G coaching, and presentations about CCC's business lines.

### Global Bid Opportunity Finder

The Global Bid Opportunity Finder (GBOF) promotes Canadian participation in international tenders issued by governments globally. With a single sign-on in either English or French, Canadian businesses can search 5,000 new daily business opportunities compiled from over 40 sources and 200 jurisdictions around the world. In 2023–2024, CCC rolled out a series of new GBOF features to improve user experience.

### Advisory services

CCC's export advisors meet with Canadian businesses to learn about their products and services, understand their challenges, and refer them to relevant services across the Government of Canada business support ecosystem. Advisors work with these businesses to find opportunities in government markets around the world.

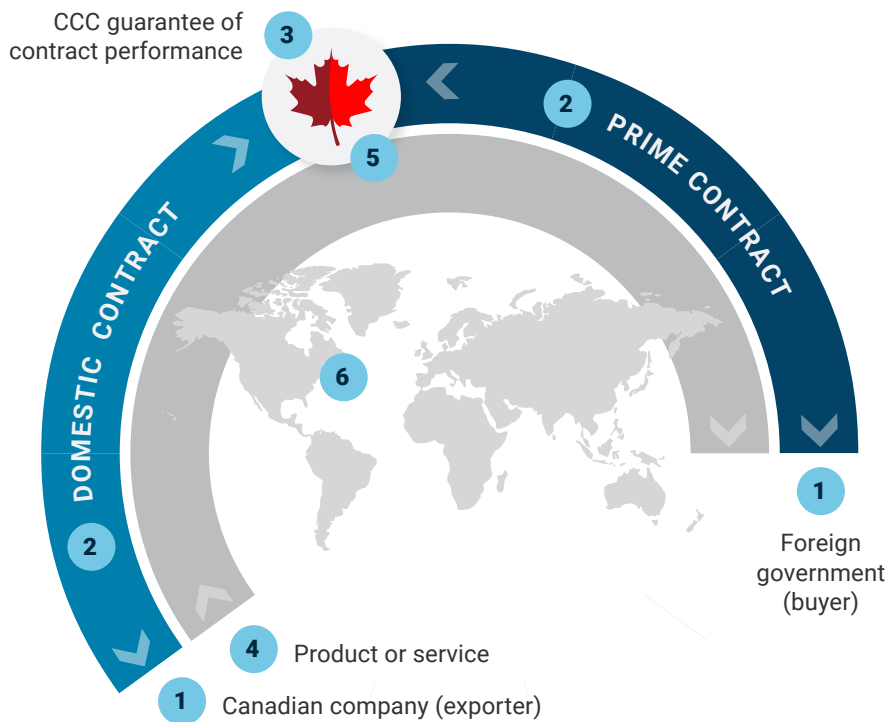
### Knowledge products

CCC publishes eBooks and blogs to increase Canadian export knowledge and capacities. The focus of these publications is on empowering small and medium-sized enterprises.



## How CCC's G2G contracting works

- 1 CCC performs due diligence on the Canadian company that has products and/or services to sell to any level of foreign government. Once due diligence processes are complete, CCC enters into a service level agreement. Jointly, CCC and the Canadian company negotiate an agreement with the foreign government.
- 2 CCC enters a prime contract with a foreign government buyer and enters a simultaneous domestic contract with a Canadian company to supply those goods and services.
- 3 CCC provides a guarantee of contract performance that is backed by the Government of Canada.
- 4 The Canadian company supplies products and/or services directly to the buyer.
- 5 CCC manages contract performance and the administration of payments from the foreign government. CCC's oversight reduces contracting risks and provides additional options to resolve unforeseen issues.
- 6 Through these activities, CCC embeds key elements of Canada's trade and foreign policy into contractual terms and obligations with both Canadian suppliers and foreign governments. This approach strengthens bilateral ties between Canada and countries around the world.



### Business lines

- Defence Production Sharing Agreement (DPSA)
- International prime contracting (IPC)
- Sourcing for other government departments

### Additional Services

- Global Bid Opportunity Finder (GBOF)
- Knowledge products
- Advisory services

# Strategic Pillars and Results

- 22 Growing Canadian exports through inclusive trade
- 29 Delivering value to Canada through operational excellence
- 32 Enhancing CCC's impact through environmental, social and corporate governance

CCC's strategy includes three main pillars: growing Canadian exports through inclusive trade, delivering value to Canada through operational excellence, and enhancing CCC's impact through environmental, social and corporate governance (ESG).

These three pillars work together to influence growth in the number of Canadian businesses actively exporting, growth in the number of Canadian jobs created and sustained through export activity, and the continued acceptance and recognition of the Canada brand so that it increasingly provides Canadian exporters with a competitive advantage over sellers of similar products or services.



### PILLAR 1:

Growing Canadian exports through inclusive trade



**Grow and maximize the benefits of the DPSA** by strengthening industry awareness of the DPSA and its companion agreement, the Defence Development Sharing Agreement.

**Improve coordination across the Government of Canada defence trade network** so that Canada may leverage the DPSA to re-emphasize its position as a strategic acquisitions partner to the DoD. Reinforce the strength of the bilateral relationship and shared values that continue to underpin Canada-US trade.

**Drive IPC demand in a targeted manner** by enhancing the customer relationship management approach, strengthening creative collaboration with partners and stakeholders, sharpening the Corporation's value proposition for buyers and exporters, streamlining business with CCC for exporters, and continuing to support Canadian SMEs.



### PILLAR 2:

Delivering value to Canada through operational excellence



**Strive for execution excellence and continuous improvement** by optimizing the remote and mobile workforce with workflow automation and business improvement tools. Improving and mitigating the risks of data sharing to reduce paper waste and minimize information storage costs while enabling better analysis, planning and results reporting; generating savings through business process optimization; and implementing an accessible learning and development platform for employees.

**Continue to evolve CCC's sustainable business model** centered on customer engagement, targeted and disciplined business development pursuits, and increased service offerings where doing so makes economic sense.



### PILLAR 3:

Enhancing CCC's impact through environmental, social and corporate governance (ESG)



**Environmental:** Support the Government of Canada's Greening Government Strategy by scoping and implementing an emissions reduction plan.

**Social:** Support inclusive economic participation by implementing measures to address CCC's own gender parity challenges and continue collecting and reporting data on the diversity of its exporter base.

**Governance:** Promote responsible business conduct with Canadian exporters to uphold Canada's reputation by launching CCC's Code for Exporters and reporting the Corporation's transactional disclosures.

## Overall Results

**\$3.2 billion**

of new export contracts between  
Canadian businesses and governments  
globally in 2023–2024

**\$3.6 billion**

in goods and services successfully  
exported from Canada to countries  
around the world

**559**

Canadian businesses supported

**15,048**

jobs created or sustained





## PILLAR 1:

# Growing Canadian exports through inclusive trade

CCC is successfully delivering its transformational strategy to support export growth for Canadian businesses, now in its third year. A total of \$3.2 billion of new business contracts were signed across CCC's three business lines in 2023–2024, exceeding prior year results by almost \$900 million. CCC's growth strategy aligns with Canada's inclusive trade priorities to ensure the benefits and opportunities that flow from trade are shared by all.

As Canada's steward of the Defence Production Sharing Agreement (DPSA), CCC helps Canadian businesses access opportunities to sell to the United States Department of Defense (U.S. DoD). CCC expanded the volume of exports contracted through the DPSA this fiscal year, signing \$1.1 billion of new contracts with Canadian exporters (compared to \$885 million in 2022–2023).

CCC also signed eight new G2G contracts and increased its outreach to foreign governments with a view to identifying more G2G opportunities for Canadian exporters. In support of a "No Wrong Door" approach to accessing government services, CCC served the needs of small and medium-sized enterprises by continuously collaborating with other Government of Canada entities to provide accessible solutions to Canadian companies of all sizes.



## DPSA business line

The DPSA is CCC's public policy mandate and the Corporation plays the primary role of promoting its growth and relevance. CCC also fosters key relationships across Government of Canada departments and the Trade Commissioner Service network to improve coordination and maximize benefits for both Canadian exporters and the U.S. buyer.

DPSA's growth to more than \$1 billion in the value of contracts signed in 2023–2024 is attributed to CCC's efforts to strengthen collaboration with Canadian exporters, to increase awareness of the DPSA across the U.S. DoD, and to drive new and diverse areas of Canadian supply to meet DoD demand.

In addition to military goods, every year the U.S. military purchases massive volumes of food, medical equipment, and construction supplies. CCC works with Canadian companies, including small and medium-sized enterprises, to provide goods and services ranging from navigation and nautical systems, to chartered passenger flights, surgical instruments, and even snow removal equipment (see **Spotlight**).



**DPSA: Canada's G2G  
channel for the U.S.  
Department of Defense**

**New export contracts  
signed (VCS)**

2023–2024:

**\$1.1 billion**

2022–2023:

**\$885 million**

---

**Exports by Canadian  
companies (CTT)**

2023–2024:

**\$870.5 million**

2022–2023:

**\$764.9 million**

**SPOTLIGHT >**

**Clearing the way for cross-border procurement**

In early 2023, CCC was awarded a contract with the Defence Logistics Agency of the United States Department of Defense (U.S. DoD) to procure snow removal equipment. The terms of the limited source contract ensure that Canadian snow removal equipment manufacturer J.A. Larue could bid on future delivery orders.

In 2023–2024, the Quebec City-based company was awarded two delivery orders for snow removal equipment worth more than \$2 million. "This limited source contract with the U.S. DoD is a win for J.A. Larue as it allows us to access one of the biggest government procurement markets in the world," said Louis Larue, Vice President at J.A. Larue.



## Strengthening the resiliency of the integrated Canada-U.S. defence supply chain

An agreement between CCC and the United States Army will enhance the industrial capacity of General Dynamics Ordnance and Tactical Systems Canada (GD-OTS Canada), located in Valleyfield, Quebec. This commitment is an example of how the enduring and strategic nature of the DPSA can leverage the many opportunities among the Canadian defence and aerospace industries to help meet the growing defence and security requirements of the U.S. and other allied nations.

The U.S. DoD welcomes opportunities to collaborate with Canada in priority areas that bolster the resilience of the integrated North American defence industrial base supply chain. In collaboration with other Government of Canada stakeholders, CCC works closely with Canadian industry to build awareness of CCC, its role in managing the DPSA, and to identify opportunities in Canadian industrial capability.



## International Prime Contracting business line

The Government of Canada's backing of the International Prime Contracting (IPC) business line provides added incentive for foreign governments to procure Canadian expertise, often to address priority strategic projects in various sectors. The IPC service is designed to support Canadian business success in selling to foreign governments with end-to-end service from contract negotiation to final delivery. The pursuit arrangement offered by the IPC service allows CCC to advocate on behalf of Canadian businesses, to seek the right terms and conditions for contract success, and to troubleshoot throughout the process, from project development to final payment.

CCC continues to expand beyond the defence, aerospace, and security sectors to current and new exporters from a broad range of sectors that include infrastructure, agriculture, and sustainable energy. Through strong collaboration with other Government of Canada stakeholders in international trade, CCC's IPC business grew to \$1.8 billion in the value of contracts signed this year (from \$903.8 million in 2022–2023), in part due to an exciting sustainable energy infrastructure project (see **Spotlight**), contracts for military equipment signed with Canadian allies in Latin America, and potash exports to Bangladesh.

Many of these contracts are years in the making. Prospects require a whole-of-government approach to move through CCC's robust business development pipeline. This includes developing G2G relationships with foreign governments in strategic sectors that align with Canada's foreign and international trade policies and exploring product and market priorities for the Canadian G2G model. At the end of the 2023–2024 fiscal year, CCC's pipeline of international contracts included 59 active pursuits at varying stages with Canadian exporters, totaling almost \$10 billion.



## International Prime Contracting: Canada's G2G service for foreign governments

### New export contracts signed (VCS)

2023–2024:

**\$1.8 billion**

2022–2023:

**\$903.8 million**

### Exports by Canadian companies (CTT)

2023–2024:

**\$796.5 million**

2022–2023:

**\$984.8 million**

## SPOTLIGHT >



### Supporting Romania in providing emissions-free power

The Honourable Mary Ng, Canada's Minister of Export Promotion, International Trade and Economic Development, announced the signing of a three-way contract between CCC, AtkinsRéalis and the Societatea Națională Nuclearelectrică SA at the World Nuclear Exhibition in Paris in November 2023.

The \$718 million international prime contract will provide engineering support and reactor components to extend the life of the Unit 1 CANDU reactor at the Cernavoda Nuclear Power Plant in Romania. As Romania transitions to dependable, low-carbon energy, the refurbished CANDU reactor will provide an emissions-free, low-cost and uninterrupted flow of power to Romania and neighbouring Moldova. Maximizing energy security is a priority in eastern Europe, particularly as countries reduce their reliance on Russian energy.

This contract supports both Romanian energy security and well-paying jobs in Canada, with approximately 85% of the project scope to be executed in Canada. As a Tier 1 nuclear nation with significant expertise, Canadian companies are well placed to benefit from renewed global interest in nuclear energy.

### CCC playing to a different tune

CCC exports tend to focus on defence, aerospace, and infrastructure, but every so often the Corporation's contracts play to a very different tune.

In March 2024, CCC was awarded a contract by the Perth Diocesan Trustees to supply a Canadian-made pipe organ to St. George's Cathedral in Perth, Australia. Through CCC's government to government contract, artisans from Orgues Létourneau will design, construct, install, and voice a new red oak pipe organ with 3,225 pipes.

Headquartered in Saint-Hyacinthe, Québec, Orgues Létourneau, a Canadian small and medium-sized enterprise, has built more than 140 organs since it was established in 1979. Letourneau and CCC have a history of successful partnerships exporting pipe organs to concert halls, universities, and houses of worship in the United States and the United Kingdom.



### ENHANCING CCC'S SUPPORT FOR INTERNATIONAL TRADE

CCC supported more than 500 Canadian companies in their exporting journeys in 2023–2024. Most of these companies (80%) are small and medium-sized enterprises and approximately 10% are owned or led by individuals from under-represented groups. For example, this year CCC worked with the Trade Commissioner Service to launch a new online resource to help Canadian businesses identify U.S. defence innovation programs to support their ability to develop and scale technologies for national security applications.

The Corporation actively engaged in the Minister of Export Promotion, International Trade and Economic Development's Business, Economic and Trade Recovery (BETR) team in 2023–2024. Priority initiatives under the BETR agenda this year included:

- Collaborating on the BETR Single Window (No Wrong Door) project to improve export services content on Canada.ca; and
- Working in partnership with Export Development Canada and the Trade Commissioner Service under CANbuild to engage government buyers in Southeast Asia and promote Canada-ASEAN collaboration on infrastructure and other projects of national importance.

## SELECTION OF UPDATES ON CONTRACTS UNDER CCC MANAGEMENT IN 2023–2024



 **Groupe Helios**  
Dominican Republic


A milestone was reached this year with the grand opening of 200 apartments (of 344 planned) in Santo Domingo West, part of the Guajimía sanitation project that will also clean sections of the Guajimía canal and construct new waste canals. Once completed, the Guajimía project is expected to positively impact the quality of life of 300,000 people in the Dominican Republic.



 **Canpotex**  
Bangladesh


CCC signed and fully delivered on a \$435.6 million contract with Canpotex to provide potash to Bangladesh, which is used as a nutrient to improve crop yields. Canada has supplied Bangladesh with more than 3 million megatonnes of potash since 1972. CCC has signed eight G2G contracts with the Bangladesh Agricultural Development Corporation, an autonomous corporate body under Bangladesh's Ministry of Agriculture.



 **General Dynamics Missions Systems –  
Canada and IMP Aerospace and Defence**  
Portugal

The first P-3C aircraft from the Portuguese Air Force, a NATO member, were received at facilities in Halifax for critical system upgrades. IMP Aerospace and Defence will install General Dynamics' Airborne Data Management System, developed entirely in Canada. Modifications to the communications and mission electronics will maintain the capabilities of these aircraft that are used for maritime patrol and reconnaissance.



 **Canadian Bank Note**  
El Salvador

El Salvador launched their new electronic lottery with a state-of-the-art system built and operated with Canadian Bank Note Company Ltd. (CBN) technology. CBN will operate the lottery system on behalf of El Salvador's Lotería Nacional de Beneficencia, which is mandated to allocate lottery proceeds to help fund public health, education, social services, and municipal infrastructure.



## Sourcing

CCC's Sourcing service provides procurement expertise and responds to a need across the federal government to quickly and effectively support international aid or assistance programs.

In 2023–2024, CCC continued its partnership with Global Affairs Canada and the Department of National Defence to procure and deliver Canadian assistance at a value of **\$352.1 million** to the Ukrainian government. CCC is proud of its support to Ukraine.

On the two-year anniversary of the conflict in February 2024, the Prime Minister announced an additional \$3 billion security package for Ukraine. This new funding is in addition to the \$650 million of support for Ukraine that was announced by the Prime Minister in September 2023.

## Sourcing: Supporting the Government of Canada's delivery of assistance programs

### New export contracts signed (VCS)

2023–2024:

**\$255.7 million**

2022–2023:

**\$476.5 million**

*This year's decrease in VCS is attributable to the timing of new contracts, with several contracts signed in Q1 of 2024–2025.*

### Exports by Canadian companies (CTT)

2023–2024:

**\$354.7 million**

2022–2023:

**\$331.0 million**



## PILLAR 2:

# Operational Excellence – Investing for growth in people, systems, technology

Delivering value to Canada through operational excellence is the second pillar of CCC's strategy. The goal is to continuously make it easier for customers to do business with CCC by optimizing processes and systems while fostering a high-performance people culture.

CCC launched a digital strategy in 2023–2024 to guide its digital transformation and strengthen the Corporation's cybersecurity. This includes streamlining and enhancing the integration of systems and applications, improving accessibility and reliability of data for reporting and analytics, optimizing automation to improve customer experience, and standardizing operations.

The Corporation achieved a net profit of \$23.4 million in 2023–2024, exceeding Corporate Plan targets (by \$18.9 million) and prior year results (by \$2.9 million). This profit is attributable to higher than anticipated fees for service revenue, income earned on cash balances, and lower than planned operating and administrative expenses. These results increased retained earnings to \$54.1 million and enabled CCC's Board of Directors to declare a dividend of \$10 million.



The Corporation also advanced on HR strategy commitments. CCC counts its employees as its greatest asset and has increasingly focused on modernizing recruitment tools and employee incentives to retain talent and promote the Corporation as an attractive option for top applicants. The collective bargaining agreement ratified in March 2023 offers a compensation and benefit program that rewards and recognizes employees fairly and competitively.

One of the HR strategy's priorities is ensuring CCC's workforce has the skills to satisfy evolving exporter needs in an increasingly competitive international trade environment. The Corporation regularly identifies ways to optimize its organizational structure and processes. For example, several employees from the contract administration team were migrated to the Finance team this year to maximize effectiveness and generate efficiencies.

CCC is implementing a robust knowledge transfer strategy to bring in the right talent and skills to the Corporation at the right time. This is particularly timely in light of several anticipated employee retirements (see **Spotlight**).

## Net promoter score

This 365-day-average measure of customer satisfaction and loyalty was 73 (out of 100), an encouraging nine-point increase over two years.

2023–2024:

73

2022–2023:

71

2021–2022:

64





## SPOTLIGHT >

CCC is also focused on aligning with several legislative initiatives that the Government of Canada has underway, including the *Pay Equity Act* requirement for a pay equity plan. The Corporation also made progress implementing the Accessibility Plan under the *Accessibility Canada Act*, including moving forward with accessible work tools.

As CCC prepares to move into more modern office facilities in the summer of 2024, every consideration is being made to the physical environment to ensure that it is fully accessible. The new space will continue to balance the Corporation's approach to workplace flexibility with design that supports a hybrid environment.

This year, in alignment with the 2021 *Canada Labour Code* directive to ensure access to menstrual products in all federally regulated workplaces, CCC's Joint Health and Safety Committee made menstrual products available in every washroom. Meeting these basic needs helps to improve equity, reduce stigma, and create healthier, more inclusive workplaces.

The Corporation prioritized increasing the number of touchpoints with employees this year. Engagement surveys provide regular insights into employee concerns and inform organizational improvement initiatives. In response to employee feedback, CCC's Health and Wellness Committee actively promoted overall employee wellness this year. CCC hosted several special events for employees with a focus on wellbeing and mental health. Expert facilitators introduced tools and techniques to manage stress, improve physical health, and build connections with colleagues to maintain a harmonious and effective workplace.



### A century of expertise

With a small workforce, every single role is an important one at CCC. The Corporation is planning for a number of retirements in the years ahead and making every effort to ensure that it maintains institutional knowledge.

This is particularly timely as the Corporation prepares to say goodbye to three employees on the Finance team in June 2024. With more than 100 years of combined total professional experience, Nick Karadimitriou (42 years at CCC), Renée Labelle (34 years at CCC), and Lyne Saumure (eight years at CCC) have been integral to the Corporation's success.

Renée attributes her longevity at CCC not only to the diversity and challenges of the work that she performs, but to the "work ethic, kindness and generosity of the people we attract, which has made work enjoyable and worth leaving home for most every day."



PILLAR 3:

## Environmental, Social and Governance

The third pillar of CCC's strategy focuses on enhancing the Corporation's impact through environmental, social and corporate governance (ESG).



CCC's ESG strategy was launched in 2023–2024, building on years of responsible business conduct leadership across the federal family. A working Board-Management ESG committee was instrumental in developing and launching the strategy, and its responsibilities and oversight have now been distributed across the Board of Directors' Operations, Audit, and Governance and Human Resources Committees.

The Corporation's ESG strategy sets the foundation for increased oversight and transparency to deliver stronger environmental stewardship, broaden engagement with all sectors of Canadian industry in international trade, and strengthen influence across the exporter community to conduct international business responsibly and sustainably.

The ESG strategy will guide emissions-reduction activities, flowing from a climate risk assessment conducted as part of building CCC's greening plan. This will inform CCC's future reporting in alignment with the recommendations of the Government's Task Force on Climate-related Financial Disclosures (TCFD), beginning in 2024–2025.

CCC's ESG strategy will also align with Canada's net-zero by 2050 objectives. Future international G2G business will uphold the Government's support for the Glasgow Statement on eliminating support for unabated development in the fossil fuels industries. This includes reducing emissions from business activities by at least 2% per year to align with Canada's net-zero objectives.



### **Government of Canada Workplace Charitable Campaign**

With loads of enthusiasm and a dash of competitive spirit, CCC's workforce of 118 employees raised \$25,000 for charities across Canada via the Government of Canada's Workplace Charitable Campaign (GCWCC). A chili cook-off, mini-putt challenge and an Amazing Race challenge were just some of the events that had employees rolling up their sleeves to make a difference.

The Corporation also enhanced its due diligence framework, using a risk-based approach that improves efficiency while ensuring that transactions with the highest risk profiles are appropriately scrutinized. CCC influenced 21 exporters in implementing or making improvements to their existing integrity policies, procedures, or training programs for employees. The Corporation also submitted its first Supply Chains and Risk Mitigation report, aligning with the new Fighting Against Forced Labour and Child Labour in Supply Chains Act requirement to submit a report to the Minister of Public Safety.

CCC launched its own Code for Exporters in March 2023, which has since been acknowledged by 103 Canadian exporters. The Code outlines CCC's expectations in areas related to responsible business, human rights, labour and human trafficking and responsible supply chains. Its acknowledgement is an important part of CCC's objective to build awareness across the exporter community regarding the importance of responsible business conduct.

In 2023–2024, CCC broadened its canvassing of under-represented groups in international trade to ensure that CCC's services remain accessible to all members of Canada's exporting community. CCC is in the process of working with several membership-based business associations to explore how more exporters from under-represented groups might leverage CCC's G2G trade approach. In support of Canada's inclusive trade policy, CCC intends to increase the number of new companies in its customer base each year who report being owned or led by a member or members of an underrepresented group.

CCC's Diversity, Equity and Inclusion strategy seeks to harness the unique strengths, perspectives, and talents of CCC's diverse workforce while building community inside and outside CCC's workplace. It seeks to embed DEI into human resources and business practices while celebrating diversity and inclusivity (see **Spotlight**). Diversity, equity and inclusion also remain critical management priorities. CCC is taking action to ensure harassment and discrimination – whether from employees or customers – is met with zero-tolerance.

## SPOTLIGHT >

### CCC marches with Pride

The streets were packed, the temperature was sweltering, whistles blared, and CCC was honoured to join forces with Export Development Canada to march in a sea of rainbows in support of the 2SLGBTQIA+ community at Ottawa's Pride Parade in August 2023.



# CCC's workforce >

**118** employees including staff, management and senior executives

**56%** female **44%** male

- 2% of CCC employees self-identify as Indigenous
- 23% of CCC employees self-identify as a member of a visible minority group
- 8% of CCC employees self-identify as a person with a disability
- 75 employees are members of the Professional Institute of the Public Service of Canada

## Staff

**65%** female **35%** male

## Management

**40%** female **60%** male

## Senior management committee

**60%** female **40%** male

## Board of directors

**56%** female **44%** male



# Management's Discussion and Analysis

- 37 Executive Summary
- 38 Basis of preparation and disclosure
- 39 Business line reporting structure
- 40 Value of contracts signed (VCS)
- 42 Commercial trading transactions (CTT)
- 44 Summary of financial results
- 48 Statement of Financial Position discussion
- 49 Corporate plan discussion
- 51 Historical Information
- 55 CCC'S Commitment to Risk Management



## Executive Summary

CCC operates at the crossroads of commerce and international relations to help Canadian businesses succeed in complex and highly competitive foreign government procurement markets. CCC's corporate strategy positions the Corporation to provide Canadian exporters with services that support the growth of their international revenue streams, align business with the Government of Canada's international priorities, and adhere to the highest standards of ethical business conduct.

The Corporation's financial results are grounded in the three-pillar strategy articulated in the Corporate Plan: Growth; Operational Excellence; and enhancing CCC's impact through Environmental, Social and Corporate Governance.

CCC's favourable operational and financial results in 2023–2024 relate to increased activity across CCC's three business lines: International Prime Contracting, the Defence Production Sharing Agreement, and Sourcing for other government departments.



### Pillar 1: Growing Canadian exports through inclusive trade

CCC's growth strategy aligns with Canada's inclusive trade priorities to ensure the benefits and opportunities that flow from trade are shared by all.

Across its three business lines, CCC helped Canadian businesses secure **\$3.2 billion** in new export contracts in 2023–2024, exceeding Corporate Plan targets (by \$745.8 million) and prior year results (by \$899.8 million).

CCC also delivered \$3.6 billion in commercial trading transactions, reflecting goods and services exported under CCC contracts. This exceeds Corporate Plan targets (by \$430.2 million) and prior year results (by \$50.6 million).

The Corporation earned \$27.1 million in fees for service revenues, exceeding Corporate Plan targets (by \$5.0 million), and down from 2022–2023 results (by \$0.4 million).



### Pillar 2: Delivering value to Canadians through operational excellence

Delivering value to Canada through operational excellence involves continuously streamlining business for CCC and its customers by optimizing processes, systems and the workforce. In 2023–2024, CCC continued to enhance operational effectiveness by making strategic investments in innovation and workplace transformation.

CCC achieved a net profit of \$23.4 million in 2023–2024, exceeding Corporate Plan targets (by \$18.9 million) and prior year results (by \$2.9 million). This profit is attributable to higher than anticipated fees for service revenue and income earned on cash balances; an increase to CCC's parliamentary appropriation; and lower than planned operating and administrative expenses.

These results increased retained earnings to \$54.1 million and enabled CCC's Board of Directors to declare a dividend of \$10.0 million.



## Pillar 3: Enhancing CCC's impact through Environmental, Social and Corporate Governance

With a focus on enhancing the Corporation's impact through environmental, social and corporate governance (ESG), this year CCC launched an ESG strategy that builds on years of responsible business conduct leadership across the federal family. It sets the foundation for increased oversight and transparency to deliver stronger environmental stewardship, broaden engagement with all sectors of Canadian industry in international trade, and strengthen influence across the exporter community to conduct international business responsibly and sustainably.

CCC launched its own *Code for Exporters* in March 2023 to outline expectations in areas related to responsible business, human rights, labour and human trafficking, and responsible supply chains. In its first year, the *Code* was acknowledged by 103 Canadian exporters, an important part of CCC's objective to build awareness of responsible business conduct across the exporter community. In addition, CCC influenced 21 exporters to implement or make improvements to their existing integrity policies, procedures, or employee training programs.

The Risk Management section of the MD&A offers additional details of CCC's application of ESG principles.

## Basis of preparation and disclosure

Management's discussion and analysis (MD&A) should be read in conjunction with the Corporation's audited annual financial statements and accompanying notes for the year ended March 31, 2024. All amounts presented are in Canadian dollars unless otherwise specified.

## Forward-looking statements

This document contains projections and other forward-looking statements that require management to make assumptions subject to risk and uncertainty. Consequently, actual results may differ materially from expectations expressed in forward-looking statements. These risks and uncertainties are discussed in the risk section.

## International Financial Reporting Standards

The financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. Under IFRS, the Canadian Commercial Corporation's (CCC or the Corporation) financial results are presented on an agent basis. However, as a prime contractor, CCC remains contractually obligated to ensure completeness of contracts with foreign buyers, ensuring that the terms of the contract are fulfilled regardless of performance by the Canadian exporter.

## Non-GAAP measures

The Corporation also uses certain non-GAAP financial measures to evaluate its performance. Non-GAAP measures are defined and qualified when presented.



## Large material contracts

Historically, large contracts have materially affected the Corporation's financial statements. These may cause significant variations in certain year-over-year amounts on the Statement of Financial Position and the Statement of Comprehensive Income. The most significant of these contracts is the multi-billion-dollar multi-year Armoured Brigade Program (ABP) contract. The magnitude of the contract is such that the ABP is presented separately in some sections of the MD&A (as indicated).

## Foreign exchange

The Corporation's contracts with foreign buyers are currency matched to offset contracts with Canadian exporters. Currency-matching for contractual receipts and payments limits CCC's foreign exchange risk. In cases where payment between parties is made in different currencies, the Corporation may enter forward contracts. The majority of CCC transactions are conducted in U.S. dollars (USD). Since CCC's reporting currency is the Canadian dollar, reported results may be impacted due to fluctuations in foreign exchange rates.

## Business line reporting structure

CCC works with exporters from across Canada's industrial sectors through its three main lines of business.

### Defence Production Sharing Agreement (DPSA)

The DPSA enables Canadian exporters to compete for contracts as part of the United States Department of Defense (DoD) domestic supply base. CCC does not charge fees for services provided under the DPSA business line.

Federal Budget 2021 reinstated an annual appropriation of \$13.0 million to administer the DPSA. This appropriation was increased to \$13.6 million per the Supplementary Estimates (C) for 2023–2024, as a result of compensation adjustments. An additional \$0.4 million related to 2022–2023 was retroactively awarded during 2023–2024.

### International Prime Contracting (IPC)

IPC, including concessions, is a fee-based service that establishes government-to-government contracts with foreign government buyers and concurrent contracts with Canadian exporters. CCC charges a fee for this service.

CCC's management of ten Canadian trade offices in China, on behalf of Global Affairs Canada, ended this fiscal year. Following the Government of Canada's 2023 budget announcement to reduce expenditures, Global Affairs Canada provided direction to close the ten trade offices administered by CCC. CCC charged a fee and recovered all costs from Global Affairs Canada for this program.

## Sourcing services for other Government of Canada Departments (Sourcing)

CCC assists Government of Canada departments and agencies to fulfill urgent and complex procurement needs related to international commitments or programming needs. A fee is charged to cover CCC's costs to manage these programs.

**These lines of business are discussed in greater detail on pages 14 to 16 of the Annual Report.**

## Value of contracts signed (VCS)

CCC uses VCS (a non-GAAP measure) to represent the value of contracts and amendments signed during a reporting period. It measures the total value of goods or services to be delivered over the entire duration of a contract, therefore it represents the full contract value at the time the contract is signed.

The sales cycle for international government contracting is often measured in years and subject to impacts related to international political and economic events. Consequently, significant variations in VCS are normal when comparing year-over-year results and results in a business cycle that can be difficult to predict and repeat consistently.

## Year-over-year comparison

Significant variations in VCS are normal when comparing period-over-period results given the variation of the timing of signing contracts.

The VCS for all three business lines is \$3.2 billion for the year ended March 31, 2024. The increase of \$899.8 million (approximately 40%) over the \$2.3 billion reported for the year ended March 31, 2023, is due to several factors, of which the following are noteworthy:

- Higher VCS in IPC (increase of \$889.2 million), attributable to signing two multi-year contracts in the following sectors:
  - Construction/Infrastructure: Atkins-Realis contract (\$718.0 million) to refurbish a Canadian-made (CANDU) nuclear reactor in Cernavoda, Romania; and
  - Defence: GDLS Columbia contract (\$411.6 million) to supply light armoured vehicles to the Colombian Army.
- The signed and fully delivered contract with Canpotex (\$435.6 million) to provide potash to Bangladesh (compared to a 2022–2023 Canpotex contract with a value of \$641.4 million).
- Higher VCS in DPSA (increase of \$198.3 million over 2022–2023), attributable to an increase in contracts. This result aligns with the proactive strategy to continue strengthening the results of this mandated business line, administered on behalf of the Government of Canada.

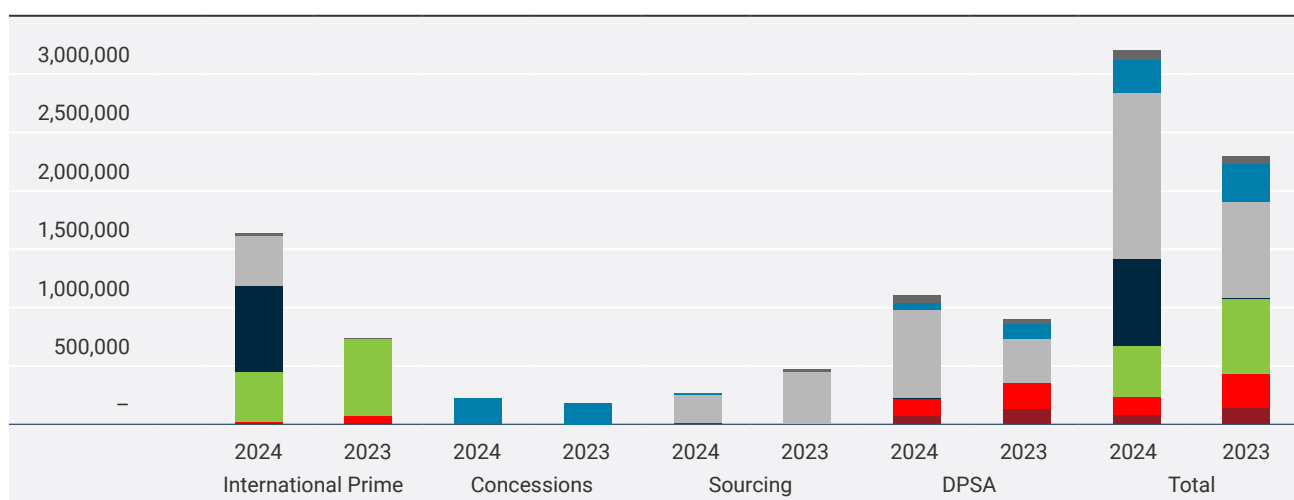
Increases were partially offset by:

- Lower VCS in Sourcing (\$220.8 million), attributable to the timing of new contracts signed by CCC to support the Government of Canada's international assistance to Ukraine.

### VCS by business line for the years ended March 31, 2024 and March 31, 2023

VCS by business line (\$000s)	For the year ended March 31					
	2024	2023	\$ Change	% Change	% of Total	
					2024	2023
International Prime	\$ 1,611,141	\$ 721,913	\$ 889,228	>100%	51%	32%
Concessions	214,992	181,893	33,099	18%	7%	8%
Sourcing	255,710	476,500	(220,790)	(46%)	8%	21%
DPSA	1,083,282	884,989	198,293	22%	34%	39%
<b>Total</b>	<b>\$ 3,165,125</b>	<b>\$ 2,265,295</b>	<b>\$ 899,830</b>	<b>40%</b>	<b>100%</b>	<b>100%</b>

### VCS by business line and sector for the years ended March 31, 2024 and March 31, 2023



Advanced Manufactured Goods & Services	(1,769)	(2,684)	-	-	16,546	6,629	65,675	135,680	80,452	139,625
Aerospace	5,099	70,164	-	-	137	321	147,250	211,627	152,486	282,112
Agriculture	435,639	641,380	-	-	-	-	-	-	435,639	641,380
Cleantech	-	-	-	-	-	-	-	-	-	-
Construction / Infrastructure	718,000	-	-	-	-	-	11,876	4,963	729,876	4,963
Defence	433,665	3,415	-	-	228,256	440,400	749,696	369,757	1,411,618	813,572
ICT	951	915	214,992	181,894	9,987	7,500	48,389	128,874	274,319	319,183
Other	19,556	8,723	-	-	783	21,649	60,396	34,088	80,735	64,460

As noted in the above chart, there were substantive gains made in the Defence and Construction sectors within IPC and under DPSA in the Defence sector.

## Commercial trading transactions (CTT)

CCC uses CTT (a non-GAAP measure of economic activity) to represent the value of goods and services delivered under contract during the reporting period.

Given the Corporation's status as an agent for reporting under International Financial Reporting Standards, CTT is not recognized as revenue. CTT data is captured to measure the Corporation's impact on the Canadian economy and as the main driver of the fees for service revenue. CCC's fees for service revenues are generally commensurate with CTT. The variance detailed in this section also applies to the Fees for service variance discussion.

### Year-over-year comparison

Given the timing of specific contract requirements and associated delivery schedules, significant variations in CTT are expected when comparing period-over-period results. The total CTT for the year ended March 31, 2024 was \$3.6 billion (a \$50.6 million increase compared to the previous year). These results were generated from:

- The ABP program's \$109.7 million CTT increase over 2022–2023, attributable to an acceleration in the delivery schedule;
- The DPSA's \$105.5 million CTT increase over 2022–2023, attributable to numerous projects; and
- The IPC's \$221.4 million CTT decrease over 2022–2023, primarily attributable to a decline in the value of deliveries in the agricultural sector (caused by market prices of potash, which affected the value of the Canpotex project with Bangladesh).

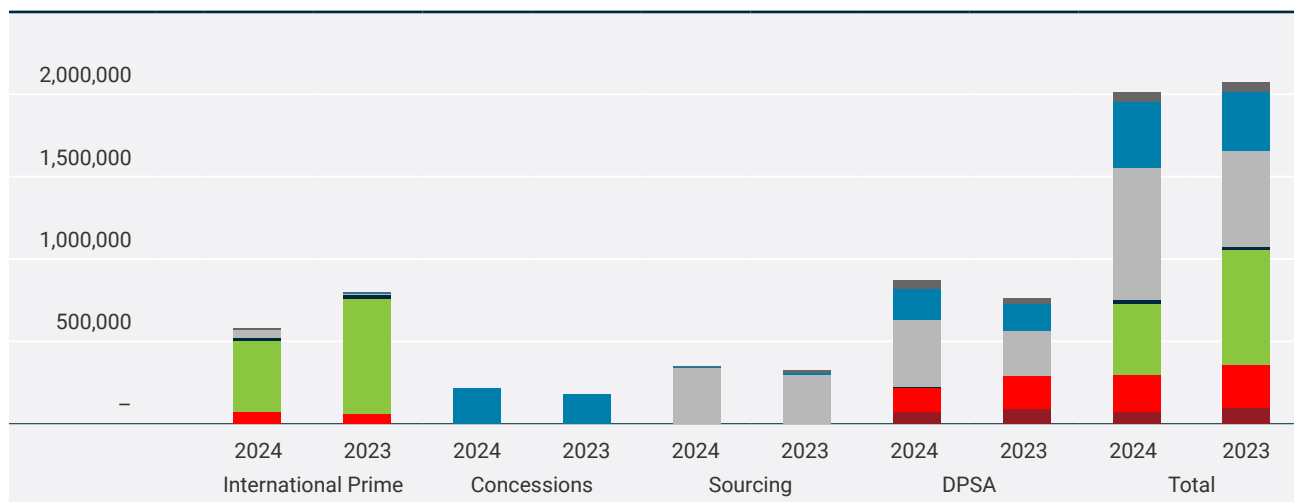
While there was a decline in the agricultural sector, it was offset by increases in the following sectors:

- Aerospace and defence: \$121.3 million (increase of \$51.3 million over 2022–2023);
- ICT sector: \$215.0 million (an increase of \$33.1 million over 2022–2023); and
- Sourcing CTT of \$354.7 million (an increase of \$23.7 million over 2022–2023).

### CTT by business line for the years ended March 31, 2024 and March 31, 2023

CTT by business line (\$000s)	For the year ended March 31					
	2024	2023	\$ Change	% Change	% of Total	
					2024	2023
International Prime	\$ 581,484	\$ 802,881	\$ (221,397)	(28%)	16%	23%
Concessions	214,992	181,893	33,099	18%	6%	5%
Sourcing	354,689	330,969	23,720	7%	10%	9%
DPSA	870,462	764,928	105,534	14%	24%	22%
<b>Total excluding ABP</b>	<b>\$ 2,021,627</b>	<b>\$ 2,080,671</b>	<b>\$ (59,044)</b>	<b>(3%)</b>	<b>56%</b>	<b>59%</b>
ABP	1,580,490	1,470,830	109,660	7%	44%	41%
<b>Total including ABP</b>	<b>\$ 3,602,117</b>	<b>\$ 3,551,501</b>	<b>\$ 50,616</b>	<b>1%</b>	<b>100%</b>	<b>100%</b>

**CTT (excluding ABP) by business line and sector for the years ended March 31, 2024 and March 31, 2023**



Business Line	Year	Advanced Manufactured Goods & Services	Aerospace	Agriculture	Cleantech	Construction / Infrastructure	Defence	ICT	Other
International Prime	2024	-	76,436	428,537	-	22,313	44,858	2,562	6,778
	2023	1,569	58,643	701,922	-	21,191	11,371	4,129	4,057
Concessions	2024	-	-	-	-	-	-	214,992	-
	2023	-	-	-	-	-	-	181,894	-
Sourcing	2024	4,145	137	-	-	-	344,291	2,635	3,481
	2023	3,994	322	-	-	-	297,986	9,055	19,610
DPSA	2024	68,268	152,363	-	-	5,582	412,136	185,340	46,773
	2023	95,330	197,680	-	-	2,275	273,420	161,667	34,556
Total	2024	72,413	228,936	428,537	-	27,895	801,285	405,529	57,033
	2023	100,893	256,645	701,922	-	23,466	582,777	356,745	58,223

## Summary of financial results

The Corporation had favourable financial results in 2023–2024 when compared to Corporate Plan targets and prior year financial results. These results are due to significant IPC and Sourcing business line volume and activity, income earned on cash balances held by CCC, and the timing of planned expenditures.

### Financial Management Policy

CCC plans for financial sustainability and manages surpluses and deficits across multi-year horizons. This approach addresses the lengthy sales cycle of international government contracting and the effects of geopolitical and economic events.

CCC's Financial Management Policy defines the requirements to maintain a financial self-sustainability model over the long term. It requires CCC to maintain sufficient equity to meet its commitments and undertake appropriate capital investments to ensure operational effectiveness and efficiency and to sustain the Corporation's workforce, facilities, systems and processes.

The framework considers four factors for managing capital and monitoring financial sustainability: the timing of contractual revenues and expenses, net results of operations, working capital requirements, and equity position.

### Comprehensive Income discussion

For the year ended March 31, 2024, the Corporation recorded a net profit of \$23.4 million, an increase of \$2.9 million over the prior year's net profit of \$20.5 million. The corporation achieved comparable CTT (as outlined in the previous sections), resulting in fees for service revenue of \$27.1 million, which is also comparable to the prior year. The favourable variance in net profit was primarily attributable to higher interest rates on higher cash balances which resulted in a favourable variance in Finance and other income (\$5.0 million). Increases in revenues were partially offset by increased operating and administrative expenses (\$1.9 million) and an adverse effect of foreign exchange (\$0.8 million).

Comprehensive Income (\$000s)	For the year ended March 31			
	2024	2023	\$ Change	% Change
Fees for service revenue	\$ 27,128	\$ 27,497	\$ (369)	(1%)
Finance and other income	12,087	7,053	5,034	71%
Government funding	13,962	13,000	962	7%
Expenses	29,685	27,794	1,891	7%
Gain (loss) on foreign exchange	(59)	762	(821)	<(100%)
<b>Net profit</b>	<b>\$ 23,433</b>	<b>\$ 20,518</b>	<b>\$ 2,915</b>	<b>14%</b>
Other comprehensive income	27	21	6	28%
<b>Total comprehensive income</b>	<b>\$ 23,460</b>	<b>\$ 20,539</b>	<b>\$ 2,921</b>	<b>14%</b>

## FEES FOR SERVICE REVENUE

The Corporation charges Fees for service on its IPC and Sourcing programs. IPC fees are generally calculated as a percentage of the contract value, with fees negotiated on a contract-by-contract basis. They are generally reflective of a project's risk profile and competitive market conditions.

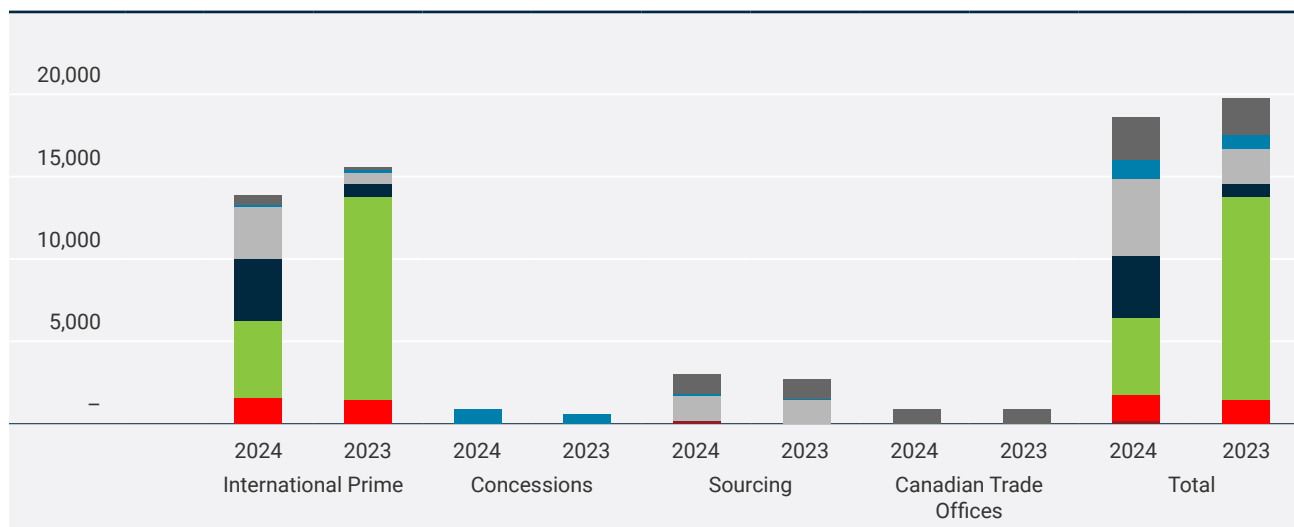
Fees may be recognized as revenue differently, depending on the performance obligations related to the various business lines. However, the majority are recorded based on the performance of activities required for the Canadian exporter to obtain the right to payment under the terms and conditions of the prime contract. This is generally commensurate with CTT. Fees for Sourcing are recognized on a straight-line basis.

For the year ended March 31, 2024, the fees for service revenue of \$27.1 million was \$0.4 million lower than the prior year. Fees for service are generally correlated with CTT.

The table below shows that the year over year change in total is roughly 1%. This is minor and the largest variances, both positive and negative, were within the IPC business line due to increases in Defense and Construction and a significant decrease in Agriculture.

Fees for service by business line (\$000s)	For the year ended March 31					
	2024	2023	\$ Change	% Change	% of Total	
					2024	2023
International Prime	\$ 13,823	\$ 15,567	\$ (1,744)	(11%)	51%	57%
Concessions	890	573	317	55%	3%	2%
Sourcing	2,953	2,725	228	8%	11%	10%
Canadian Trade Offices	865	864	1	<1%	3%	3%
<b>Total excluding ABP</b>	<b>\$ 18,531</b>	<b>\$ 19,729</b>	<b>\$ (1,198)</b>	<b>(6%)</b>	<b>68%</b>	<b>72%</b>
ABP	8,597	7,768	829	11%	32%	28%
<b>Total including ABP</b>	<b>\$ 27,128</b>	<b>\$ 27,497</b>	<b>\$ (369)</b>	<b>(1%)</b>	<b>100%</b>	<b>100%</b>

**Fees for service (excluding ABP), by business line and sector for the year ended March 31, 2024 and March 31, 2023**



	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Advanced Manufactured Goods & Services	-	42	-	-	177	-	-	-	177	42
Aerospace	1,552	1,464	-	-	-	4	-	-	1,552	1,468
Agriculture	4,687	12,285	-	-	-	-	-	-	4,687	12,285
Cleantech	-	-	-	-	-	-	-	-	-	-
Construction / Infrastructure	3,733	763	-	-	-	-	-	-	3,733	763
Defence	3,155	684	-	-	1,495	1,441	-	-	4,651	2,124
ICT	143	181	890	573	149	78	-	-	1,182	832
Other	552	148	-	-	1,132	1,202	865	865	2,549	2,215

**GOVERNMENT FUNDING**

Federal Budget 2021 recognized the importance of CCC's role in administering the DPSA and restored an annual parliamentary appropriation of \$13.0 million, commencing in fiscal year 2022–2023. This appropriation was increased to \$13.6 million per the Supplementary Estimate (C) for 2023–2024, which allotted funding for compensation adjustments.

Given that CCC does not receive Fees for service on DPSA contracts, this appropriation will exclusively fund the operating and administrative expenses incurred for the DPSA. For the year-ended March 31, 2024, the Corporation recognized government funding of \$14.0 million, an increase of \$1.0 million over the prior year, as an offset to costs incurred for DPSA administration. This includes \$0.4 million related to the 2022–2023 appropriation, which was retroactively awarded in 2023–2024.



## OPERATING AND ADMINISTRATIVE EXPENSES

The Corporation's \$29.5 million in operating and administrative expenses for the year ended March 31, 2024, increased by \$1.9 million (over the previous year's \$27.6 million). The increase was primarily driven by increases in depreciation, workforce compensation and travel expenditures.

In the 2023–2024 fiscal year, CCC increased its depreciation expenses (\$1.7 million) as a result of terminating the current office lease. CCC incurred increased workforce and compensation expenses (\$1.3 million) due to filling staff vacancies (as planned) and of adjusting salaries to meet inflation. Additionally, CCC incurred increased travel expenses (\$0.7 million) to pursue business development opportunities and manage contracts across business lines. These increases were partially offset by a gain (\$2.5 million) on remeasurement of right-of-use asset and lease liability related to the termination of the current office lease.

Operating and administrative expenses (\$000s)	For the year ended March 31					
	2024	2023	\$ Change	% Change	% of Total	
					2024	2023
Workforce compensation and related expenses	\$ 19,382	\$ 18,044	\$ 1,338	7%	65%	66%
Consultants	2,699	3,099	(400)	(13%)	9%	11%
Contract management services	2,638	2,192	446	20%	9%	8%
Depreciation	2,276	583	1,693	>100%	8%	2%
Travel and hospitality	1,704	1,028	676	66%	6%	4%
Rent and related expenses	1,043	930	113	12%	4%	3%
Software, hardware and support	809	820	(11)	(1%)	3%	3%
Communications	675	402	273	68%	2%	1%
Other expenses	735	479	256	53%	2%	2%
<b>Sub-total excl. gain on lease termination</b>	<b>\$ 31,961</b>	<b>\$ 27,577</b>	<b>\$ 4,384</b>	<b>16%</b>	<b>108%</b>	<b>100%</b>
Gain on lease termination	\$ (2,488)	–	(2,488)	0%	(8%)	0%
<b>Total operating and administrative expenses</b>	<b>\$ 29,473</b>	<b>\$ 27,577</b>	<b>\$ 1,896</b>	<b>7%</b>	<b>100 %</b>	<b>100%</b>

CCC continuously assesses expenditure levels to achieve cost efficiencies where possible. Budgets are managed on a continuous basis from the outset of the year with a view to controlling expenditures relative to forecast business volumes and revenues. Additionally, CCC continues to strengthen its culture of innovation, invest in digital transformation, and implement process changes to improve efficiency and increase the capacity of existing resources.

## Statement of Financial Position discussion

Assets and liabilities include payments made to Canadian exporters prior to collecting from foreign buyers, and amounts received from foreign and other buyers that have not yet been transferred to Canadian exporters. As contractual performance obligations are fulfilled, balances for Cash, Accounts receivable, Accounts payable and accrued liabilities, which represent amounts at a specific point in time, can fluctuate widely.

### Asset and Liability positions

As at March 31, 2024, total assets of \$298.3 million increased by \$30.0 million or 11% from the prior year-end. The increase is mainly attributable to:

- an increase in Cash of \$29.9 million, driven primarily by higher receipts of advance payments from Government of Canada departments and foreign buyers. This was bolstered by timing differences between cash receipts from foreign buyers and the related payments to Canadian exporters, favourable exchange rate fluctuations on CCC cash balances, and higher yields earned on balances held on deposit; and
- this increase was offset by a decrease in accounts receivable of \$1.5 million, from timing differences between payment to the Canadian exporter and a cash receipt from a foreign buyer (as explained above).

Total liabilities of \$234.2 million increased by \$10.6 million, or 5% from the prior year-end. This increase is primarily driven by:

- an increase in Accounts payable and accrued liabilities of \$66.1 million, from timing differences between cash receipts from foreign buyers and payments to Canadian exporters, as explained above;
- offsetting a decrease in Advances of \$53.6 million, primarily driven by advance payments received from Government of Canada departments.

The offsetting increases in both total assets and liabilities reflect the nature of the contracts under management and the effect on balances due to the timing of receipts and payments.

### Equity position

Equity for the period increased by \$19.5 million, reflecting year-to-date net profit of \$23.4 million. This was reduced by the dividend of \$4.0 million that was declared and paid during the year. The improved equity position will further support CCC's financial sustainability model. These balances include shareholder Contributed Surplus of \$10 million.

As at (\$000s)	March 31, 2024	March 31, 2023	\$ Change	% Change
Total assets	\$ 298,302	\$ 268,263	\$ 30,039	11%
Total liabilities	234,231	223,652	10,579	5%
Total equity	64,071	44,611	19,460	44%
Total liabilities and equity	\$ 298,302	\$ 268,263	\$ 30,039	11%

## Dividend declaration

On June 5, 2024, in alignment with its Financial Management Policy and Dividend Policy, the Corporation's Board of Directors approved the issuance of a dividend of \$10.0 million payable to its shareholder.

## Corporate plan discussion

The Corporation operates in challenging global markets where government budgets are dynamic and subject to frequent changes. Demand for Canadian-made solutions varies with economic and geopolitical factors, which increases the complexity of G2G export sales and the duration of the sales cycle. In the face of these uncertainties, the Corporation is committed to a sustainable financial business model and plans for its fee-generating business lines to (at a minimum) break even each year. To this end, CCC engages in prudent financial management, strategically invests in critical capabilities, and focuses on creating value for Canadian stakeholders.

## Comparison of financial results to 2023–2024 Corporate Plan

CCC's 2023–2024 to 2027–2028 Corporate Plan (Plan) was approved by the Corporation's Board of Directors and submitted, as required, to the Minister of Export Promotion, International Trade and Economic Development in January 2023. The following analysis reflects the revised Plan, as approved by the Board of Directors in July 2023, incorporating expense reduction measures outlined in the Federal Budget 2023.

The Corporation's strong financial performance for the year ended March 31, 2024, is primarily attributed to increased activities in the IPC and Sourcing business line. CCC achieved a net profit of \$23.4 million, marking a significant positive variance of \$18.9 million compared to the budgeted net profit outlined in the Plan, which projected \$4.5 million.

Several factors contributed to these results:

- Increase in Fees for service variance (\$5.0 million) in comparison to the Plan from increased deliveries in the agriculture and defence sectors. Fee-generating billing transactions can vary significantly due to the rapidly changing geopolitical business environment, and the timing of contract signings and/or deliveries on CCC's large international contracts.
- Increase in Finance and other income variance (\$9.4 million) in comparison to the Plan is the result of higher interest rates combined with larger than expected cash balances due to the timing of receipt of advances.
- The Expense variance (\$3.6 million) was lower in comparison to the Plan and is primarily due to the lease termination.
- Government funding is recorded as an offset to costs incurred related to the administration of the DPSA. Funding is capped at the approved parliamentary appropriation. The funding was \$1.0 million higher than the initial budget.

## Management's Discussion and Analysis as at March 31, 2024

The table below presents financial results compared to the Corporate Plan for the year ended March 31, 2024. It also presents a forward-looking view of the 2024–2025 Corporate Plan.

	2023–2024	2023–2024	Variance		2024–2025
	Actual	CP Target	\$	%	CP Target
VCS (\$000s)	\$ 3,165,125	\$ 2,419,298	\$ 745,827	31%	\$ 3,351,500
CTT (\$000s)	\$ 3,602,117	\$ 3,171,864	\$ 430,253	14%	\$ 2,211,494

Net profit (\$000s)	Actual (YTD)	CP Target (YTD)	\$	%	CP Target
<b>Revenues</b>					
Fees for service	\$ 27,128	\$ 22,100	\$ 5,028	23%	\$ 21,244
Finance and other income	12,087	2,658	9,429	>100%	6,497
	39,215	24,758	14,457	58%	27,741
<b>Government funding</b>	13,962	13,000	962	7%	13,792
<b>Expenses</b>					
DPSA expenses	13,770	13,000	770	6%	14,193
Non-DPSA expenses	15,915	20,272	(4,357)	(21%)	19,319
	29,685	33,272	(3,587)	(11%)	33,512
Gain (loss) on foreign exchange	(59)	–	(59)	>100%	–
<b>Net profit</b>	\$ 23,433	\$ 4,485	\$ 18,948	>100%	\$ 8,021

## Outlook on the Corporate Plan 2024–2025

CCC's 2024–2025 to 2028–2029 Corporate Plan was approved by the Corporation's Board of Directors and submitted, as required, to the Minister of Export Promotion, International Trade and Economic Development. It is pending approval.

With an anticipated increase in IPC and Sourcing contract signings, CCC expects to meet the profit targets indicated in the Plan in 2024–2025. Actual results achieved can be impacted by the changing nature of foreign buyer demand for Canadian solutions. Finance and Other income are expected to be higher than the 2023–2024 Plan due to combined increases in yields and cash balances. With operations returning to pre-pandemic levels, expenses are expected to be higher than the 2023–2024 Plan as CCC invests in people, processes, and technology as a part of a larger commitment to grow Canadian exports. The Corporation continues the transformation it began several years ago and is seeing success in growing revenues by assisting Canadian exporters in government-to-government contracts, in addition to growing its DPSA and Sourcing business lines. Management will exercise fiscal prudence and control expenditures relative to revenue forecasts throughout the year.

## Historical Information

The five-year trends in selected financial metrics (VCS, CTT and Fees for service) presented below are followed by five-year trends in Comprehensive Income and Equity.

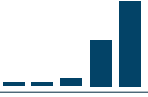












## Value of Contracts Signed, Commercial Trading Transactions, and Fees for service

CCC uses the value of contracts signed (VCS) to represent the value of contracts and amendments signed during a reporting period. It measures the total value of goods or services to be delivered over the entire duration of a contract, therefore it represents the full contract value at the time the contract is signed.

Commercial trading transactions (CTTs) are not recognized as revenue. CTT data is captured to measure the Corporation's impact on the Canadian economy and as the main driver of the fees for service revenue. CCC's fees for service revenues are generally commensurate with CTT.

Over the five-year period starting April 1, 2019, and ending March 31, 2024, CCC signed \$9.4 billion in new export contracts with Canadian companies and facilitated the delivery of \$15.7 billion in goods and services from Canada to governments around the world. During the period, CCC earned \$111.2 million in Fees for service. Of note, CCC's fees from the ABP program account for \$45.0 million (41%) of the total fees earned over the period. As this program winds down, CCC will invest in targeted growth and efficiencies to offset the expected revenue loss. Generally, trends in VCS and CTTs are correlated and subject to contract-by-contract timing differences between when contracts are signed and deliveries under contract are made. Trends in CCC's Fees for service are typically commensurate with CTT deliveries.

Management's Discussion and Analysis as at March 31, 2024

VCS, CTT, Fees for service (\$000s)	Trend	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	5 Year Total
VCS		\$ 1,249,635	\$ 1,345,669	\$ 1,393,517	\$ 2,265,295	\$ 3,165,125	\$ 9,419,241
DPSA		927,874	921,685	867,839	884,989	1,083,282	4,685,669
International Prime		306,601	402,245	465,775	903,806	1,826,133	3,904,560
Sourcing		15,160	21,739	59,903	476,500	255,710	829,012
CTT		\$ 3,170,830	\$ 2,921,315	\$ 2,445,487	\$ 3,551,502	\$ 3,602,117	\$ 15,691,251
DPSA		738,942	850,043	803,913	764,928	870,462	4,028,288
International Prime		575,276	376,526	380,552	984,775	796,476	3,113,605
ABP Program		1,837,498	1,674,629	1,200,810	1,470,830	1,580,490	7,764,257
Sourcing		19,114	20,117	60,212	330,969	354,689	785,101
Fees for service		\$ 24,068	\$ 18,400	\$ 14,076	\$ 27,497	\$ 27,128	\$ 111,169
International Prime		9,412	6,619	4,795	16,140	14,713	51,679
ABP Program		12,337	9,666	6,841	7,768	8,597	45,209
Sourcing		2,319	2,115	2,440	3,589	3,818	14,281



## Disaggregation of five-year total VCS

These contracts were signed across CCC's three main lines of business, with exporters from across Canadian industrial sectors, to meet the needs of government buyers from around the world.

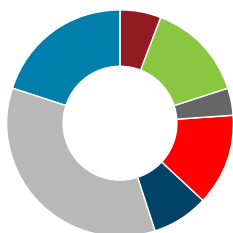
### By business line



Business line	\$ millions	%
International Prime	3,905	41%
Sourcing	829	9%
DPSA	4,686	50%
	<b>9,419</b>	<b>100%</b>

Over the five-year period, CCC signed 50% of new contracts (totaling \$4.7 billion) under the DPSA business line. Of new business, 50% (totaling \$4.7 billion) was conducted under the IPC and Sourcing business lines with the Government of Canada and various governments around the world.

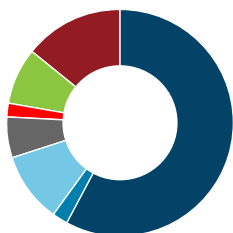
### By Canadian exporter industry sector



Industry sector	\$ millions	%
Advanced Manufactured Goods & Services	545	6%
Agriculture	1,287	14%
Other	360	4%
Aerospace	1,230	13%
Construction / Infrastructure	794	8%
Defence	3,304	35%
ICT	1,899	20%
Cleantech	0	0%
	<b>9,419</b>	<b>100%</b>

CCC entered into export contracts with Canadian exporters from various industrial sectors. Of the new contracts (totaling \$9.4 billion), 68% were concentrated in the Defence, Aerospace, and Information, Communications and Technology sectors.

### By foreign government buyer region



Buyer region	\$ millions	%
North America	5,476	58%
North America (Caribbean)	156	2%
North America (Central America)	989	10%
South America	572	6%
Africa	169	2%
Europe	754	8%
Asia	1,303	14%
	<b>9,419</b>	<b>100%</b>

Buyers in North America and Asia accounted for the majority of new contracts signed during the five-year period. Buyers in North America accounted for 70% (\$6.6 billion) and buyers in Asia accounted for 14% (\$1.3 billion).

## Comprehensive Income and Equity position

Over the five-year historical period, CCC earned positive Comprehensive Income in four of five years and increased its equity from \$21.3 million in 2019–2020 to \$64.1 million in 2023–2024. CCC intends to maintain an equity base that will withstand the effects of international business headwinds and contractual timing differences that can result in potential revenue shocks and/or operating losses. When considering the issuance of a dividend to the Government of Canada, CCC's Board of Directors considers these matters and the Corporation's financial sustainability, working capital or cash position, and future financial requirements related to capital investments and risk coverage.

Total comprehensive income (loss) (\$'000s)	Trend	2019–2020	2020–2021	2021–2022	2022–2023	2023–2024
<b>Revenues</b>						
Fees for service		\$ 24,068	\$ 18,400	\$ 14,076	\$ 27,497	\$ 27,128
Finance and other income		1,584	395	443	7,053	12,087
		25,652	18,795	14,519	34,550	39,215
<b>Government funding</b>		4,500	4,000	13,000	13,000	13,962
<b>Expenses</b>						
Administrative expenses		27,279	23,746	24,228	27,577	29,473
Finance costs		343	228	229	217	212
		27,622	23,974	24,457	27,794	29,685
Gain (loss) on foreign exchange		47	(658)	(111)	762	(59)
Net profit (loss)		2,577	(1,837)	2,951	20,518	23,433
Other comprehensive income (loss)		(12)	14	30	21	27
<b>Total comprehensive income (loss)</b>		\$ 2,565	\$ (1,823)	\$ 2,981	\$ 20,539	\$ 23,460

Equity (\$'000s)	Trend	2019–2020	2020–2021	2021–2022	2022–2023	2023–2024
Equity – beginning of the year		\$ 21,349	\$ 23,914	\$ 22,091	\$ 25,072	\$ 44,611
Total comprehensive income (loss)		2,565	(1,823)	2,981	20,539	23,460
Dividends paid to Government of Canada		–	–	–	(1,000)	(4,000)
<b>Equity – end of the year</b>		\$ 23,914	\$ 22,091	\$ 25,072	\$ 44,611	\$ 64,071



## CCC'S Commitment to Risk Management

### Risk Management

CCC's risks are managed within the Corporation's Enterprise Risk Management (ERM) Framework to ensure that CCC fulfills its mandate regarding the facilitation of international trade. The ERM Framework reflects Treasury Board requirements on risk management and those set by the Minister of Finance. CCC monitors thirteen risks that fall into three broad risk categories: Entity-wide, Corporate and Transactional risks. The ERM Framework also includes guidance on risk governance, strategic objective setting, performance, communications and reporting. It is reviewed by the Board of Directors on an annual basis.

### Risk Governance

Risk management within CCC begins with engaging the Board of Directors in the Corporation's ERM program. The thirteen risks outlined in CCC's ERM Framework are reviewed and monitored through the Board's various committees. At the Senior Management level, risk is principally managed through the Risk and Opportunities Committee (ROC), which meets weekly to discuss the entity-wide, corporate, and transactional risks facing the organization. ROC also reviews certain export transactions depending on risk levels and contract values. Senior management and the ROC are responsible to ensure that the structures, policies and procedures related to risk management are implemented.

CCC's portfolio of export transactions present risks that are managed within the business units (first line of defence), monitored through the Legal and Risk teams (second line of defence), and ultimately audited by internal and external auditors (third line of defence).

### Key risks facing CCC

The risks discussed below exist within the context of a complex business environment that reflects the continued war in Ukraine, high inflation/interest rates, and the tendency towards greater protectionism within CCC's key markets.

#### REPUTATIONAL RISK (ENTITY-WIDE)

This risk relates to "CCC's actions or inactions that tarnish CCC's reputation with stakeholders, buyers and/or Canadian exporters". CCC's role in the sale of defence products and services internationally can lead to reputational issues. The Corporation communicates regularly with all stakeholders and ensures its activities are aligned with the Government of Canada's international trade policy. With increased global tensions, this risk is heightened.

CCC strives to maintain a strong reputation with its stakeholders, exporters, and foreign buyers. A key driver of reputation risk includes a failure to deliver on CCC's export contracts. This risk is mitigated through strong transactional due diligence that integrates environmental, social and governance (ESG) best practices, including responsible business conduct (RBC). During the year, progress on key export projects that faced certain hurdles helped lower reputational risk with foreign buyers.

## **HUMAN RESOURCES AND ORGANIZATIONAL RISK (CORPORATE)**

This risk reflects the possibility of “not having the right corporate structure or the correct number of people and/or the required skill sets to meet client expectations and overall corporate objectives”. The Corporation continues to experience the effects of higher retirement rates and a competitive labour market, leading to a loss of corporate knowledge and experience within CCC’s workforce. This trend is expected to continue over the coming years. Staffing shortages can also contribute to execution risk, as related to CCC’s priorities. The Corporation has launched a strategic three-year Human Resources plan to ensure appropriate skill sets and staff levels are available to support CCC’s operations.

## **SECURITY RISK (CORPORATE)**

This risk relates to the “safeguarding of the Corporation’s people, valued assets (including information) and continued delivery of essential services against unforeseen circumstances”. CCC’s security threat level reflects its role in supporting the Government of Canada’s Ukrainian aid program, which could lead to increased cyberattacks/foreign interference. CCC’s membership in the Canadian Centre for Cybersecurity Awareness ensures the Corporation is notified of any threats, real or perceived, and amplifies CCC’s ongoing evaluation and adaptation of its systems and processes.

In addition, CCC’s hybrid workforce continues to create security challenges regarding employees accessing CCC data and information remotely and handling paper documents outside of CCC offices. Ongoing cybersecurity and information management training aims to ensure that employees manage these risks appropriately.

## **FINANCIAL RISK (ENTITY-WIDE)**

This risk relates to the possibility that “CCC’s financial position cannot meet its liquidity requirements or support capital requirements given the risk exposure of the Corporation”. An increasing risk profile reflects a potential revenue gap in coming years as a significant fee generating export project winds down. CCC receives an appropriation for its activities in support of the DPSA, however all other business lines must generate sufficient income to be financially sustainable. The revenue gap may develop if new and recurring fee generating business is not secured. While expected forecasts show revenue stability, the timing and certainty of export contract awards can swing significantly due to events outside of CCC’s control. A strong emphasis on business development activities focused on key industries and foreign buyers is expected to bridge the potential funding gap.

## **EXPORTER PERFORMANCE RISK (TRANSACTIONAL)**

This risk relates to the potential “failure to deliver the promised goods and/or services to CCC under its responsibilities with respect to the domestic contract”. The financial resilience shown within CCC’s exporter portfolio following the pandemic, supply chain issues, and post-pandemic inflation and interest rate hikes provided the basis for Management to lower this risk level from the prior year. Management will continue to monitor exporter performance throughout the coming year.

## Other risks managed by CCC

In addition to the risks discussed above that are high on CCC's risk radar, the Corporation's ERM program also manages the following eight risks.

### ENTERPRISE-WIDE RISKS

The following enterprise-wide risks are those that may impede the Corporation's ability to meet its overall objectives.

#### **Mandate risk**

This risk relates to CCC operating "in activities beyond its mandate, or that its services do not adequately lead to the successful fulfillment of its mandate". Ministerial direction through the annual Statement of Priorities and Accountabilities provides the general framework around which the Corporation's Corporate Plan is developed. The Corporate Plan outlines the business activities and corporate strategies to be undertaken over the course of the five-year planning period. The Senior Management Committee and the Risk and Opportunities Committee provide the internal governance structures that ensure the Corporation remains within these parameters.

#### **Responsible business conduct (RBC) risk**

RBC risk relates to the possible risk of "failure to act responsibly, mitigate issues related to bribery or corruption, ensure that human rights are respected and/or protect the environment from negative impacts that may result in poor public perception of the organization".

CCC is conscious of the need to ensure that the export projects supported by the Corporation remain free of corruption and do not impinge on human rights. During the year, the Corporation continued to promote its "Code for Exporters", reflecting CCC's commitment to ESG principles and support for the UN Sustainable Development Goals. The Code outlines CCC's expectations with respect to labour and human rights, health and safety, environmental protection, transparent and responsible supply chains, and compliance with laws including those prohibiting bribery and corruption. It applies to all exporters working with CCC, their employees, and subcontractors.

The Corporation's Integrity Compliance and Human Rights Committees continue to mature their processes to mitigate the possibility of negative consequences of entering into tainted export transactions. Lastly, ongoing RBC training for employees ensures that ESG principles remain top of mind while the Corporation looks to undertake new export contracts.

## CORPORATE RISKS

This refers to risks related to the Corporation's information management, information systems, people, policies/procedures, and business continuity planning. The following corporate risks are managed at the business and functional unit level and are the responsibility of the vice-presidents.

### Information management and data governance risk

This risk relates to "information (electronic and paper-based) not being securely managed so as to protect its integrity and safekeeping leading to inefficient and ineffective decision-making".

CCC manages sensitive information acquired from exporters and foreign buyers. It also generates its own sensitive information through corporate activities such as those related to human resource management. Governance over this information falls to the cross-functional Information Management/Information Technology (IM/IT) Steering Committee, which meets monthly and is focused on implementing the Corporation's Information Management and Data Governance program, approved in 2023–2024.

### Information system risk

This risk relates to "appropriate information systems becoming unavailable or not adequately generating relevant data for decision-making in an efficient and effective manner".

To address cybersecurity threats, CCC maintains a membership in the Canadian Centre for Cybersecurity and aligns its security posture with the National Institute of Standards and Technology Cyber Security Framework. Further, CCC's awareness-building and cybersecurity training program for employees helps reduce cyber risk. To ensure the Corporation remains future-focused, a three-year Cybersecurity Roadmap was implemented under the guidance of the IM/IT Steering Committee.

### Policies, processes and contracting risk

The risk of "financial losses or inefficient use of resources that may develop due to the lack of appropriate policies, systems, and processes in place".

Over the last two years, a number of employees have been onboarded or moved to new positions within CCC. This potentially increases risk related to errors in contracting processes. These errors could lead to issues such as project delays or lower client satisfaction with CCC services. More significant errors (ex. failed due diligence processes) could lead to financial losses if CCC's export contracts are affected. As export contracts receive approvals and oversight from various business units, the likelihood of a significant failed process remains low.

Management is undertaking a review of CCC's contracting processes to ensure that optimal efficiencies are in place, including technological solutions where possible.

## **Fraud risk**

This risk relates to the possibility of the Corporation being the “target of an intentional deception made for personal gain”. Policies and procedures have been established along with internal controls to ensure this risk is minimized. Management undertook its annual Fraud Risk Self-Assessment in Q4 of 2023–2024. Upon completion, the communication of key themes will be provided to staff in Q1 of 2024–2025.

## **TRANSACTIONAL RISKS**

This category of risk managed by CCC reflects the risks related to export transactions. The Corporation is sensitive to the need to protect its shareholder by effectively and prudently managing these risks. In addition to exporter performance risk discussed above, the following transactional risks are evaluated prior to entering export contracts.

### **Integrity and human rights risk**

This risk refers to the possibility that “CCC’s international projects result in bribery or corruption; negative impacts on human rights; and/or, being out of alignment with the United Nations Guiding Principles on Business and Human Rights”.

CCC’s Integrity Compliance and Human Rights Committees met regularly throughout 2023–2024. A focus of the Integrity Compliance Committee was to influence Canadian exporters to improve their anti-bribery and corruption policies and procedures. The Human Rights Committee continued its focus on the sale of defence products to non-US buyers and the potential impact on human rights where infrastructure projects are being considered.

### **Project, contractual and foreign environment risk**

This risk refers to the unique risks related to “export transactions being considered or that are underway. Subcategories of this risk include in-country issues such as buyer credit capacity and behaviour, local legal framework, social and cultural differences”.

On occasion, an export contract will encounter difficulties as a result of disputes or differences of opinion between foreign buyers and Canadian exporters. These differences could result from issues such as interpretations of technical specifications etc. During the year, CCC managed these types of issues to a successful conclusion, thereby avoiding potential escalation.

# Financial statements

<b>61</b> Management responsibility for financial statements			
<b>62</b> Independent Auditor's Report			
<b>66</b> Financial Statements as at March 31, 2024			
Statement of Financial Position	66	4. Cash and cash equivalents	85
Statement of Comprehensive Income	67	5. Accounts receivable	86
Statement of Changes in Equity	68	6. Other assets	86
Statement of Cash Flows	69	7. Property and equipment	87
<b>70</b> Notes to the Financial Statements		8. Right-of-use assets	88
1. Nature, organization and funding	70	9. Accounts payable and accrued liabilities	88
2. Basis of preparation	70	10. Deferred revenue	89
3. Material accounting policy information	74	11. Lease liabilities	89
		12. Employee benefits	91
		13. Capital management	92
		14. Risk management and financial instruments	93
		15. Revenue from contracts with customers	96
		16. Other income	97
		17. Government funding	97
		18. Operating and administrative expenses	98
		19. Related party transactions	98
		20. Contingencies	101



## Management responsibility for financial statements

The financial statements of the Canadian Commercial Corporation and all information presented in this annual report are the responsibility of management. The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, using management's best estimates and judgments, where appropriate. Financial information presented elsewhere in the annual report is consistent with the financial statements.

In support of its responsibility, management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the integrity and reliability of financial information, that assets are safeguarded and controlled, and that transactions of the Corporation are in accordance with the Financial Administration Act (FAA) and regulations and, as appropriate, the Canadian Commercial Corporation Act, the by-laws of the Corporation, and the directives issued pursuant to Section 89 of the FAA.

The Audit Committee of the Board of Directors oversees management's responsibilities for maintaining adequate control systems and the quality of financial reporting. The Audit Committee meets with management and the internal and external auditors to review the manner in which these groups are performing their responsibilities and to discuss auditing, internal controls and other relevant financial matters. The Audit Committee has reviewed the financial statements with the external auditor and has submitted its report to the Board of Directors. The Board of Directors has reviewed and, on recommendation by the Audit Committee, has approved the financial statements.

The Corporation's external auditor, the Auditor General of Canada, conducts an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards, and expresses an opinion on the financial statements.



**Juliet Woodfield**  
Acting President and CEO &  
Vice-President, Corporate Services  
and Chief Financial Officer



**Issam Elhaje**  
Director, Finance and Policy

Ottawa, Canada  
June 5, 2024



Office of the  
Auditor General  
of Canada

Bureau du  
vérificateur général  
du Canada

## INDEPENDENT AUDITOR'S REPORT

To the Minister of Export Promotion, International Trade and Economic Development

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the Canadian Commercial Corporation (the Corporation), which comprise the statement of financial position as at 31 March 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a



material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Compliance with Specified Authorities**

#### *Opinion*

In conjunction with the audit of the financial statements, we have audited transactions of the Canadian Commercial Corporation coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are Part X of the *Financial Administration Act* and regulations, the *Canadian Commercial Corporation Act*, the by-laws of the Canadian Commercial Corporation, and the directives issued pursuant to Section 89 of the *Financial Administration Act*.

In our opinion, the transactions of the Canadian Commercial Corporation that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Financial Administration Act*, we report that, in our opinion, the accounting principles in IFRSs have been applied on a basis consistent with that of the preceding year.

#### *Responsibilities of Management for Compliance with Specified Authorities*

Management is responsible for the Canadian Commercial Corporation's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Canadian Commercial Corporation to comply with the specified authorities.

*Auditor's Responsibilities for the Audit of Compliance with Specified Authorities*

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.



Sophie Bernard, CPA  
Principal  
for the Auditor General of Canada

Ottawa, Canada  
5 June 2024

## Statement of Financial Position

As at March 31	Notes	2024	2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	\$ 279,922	\$ 250,037
Accounts receivable	5, 14	11,586	13,070
Other assets	6	901	764
		292,409	263,871
<b>Non-current assets</b>			
Property and equipment	7	1,564	1,748
Right-of-use assets	8	4,329	2,644
		5,893	4,392
<b>Total assets</b>		<b>\$ 298,302</b>	<b>\$ 268,263</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	9, 14	\$ 92,269	\$ 26,159
Advances		136,005	189,557
Deferred revenue	10	2,529	1,360
Lease liabilities	11	171	521
Employee benefits	12	685	963
		231,659	218,560
<b>Non-current liabilities</b>			
Lease liabilities	11	2,572	4,946
Employee benefits	12	-	146
		2,572	5,092
<b>Total liabilities</b>		<b>234,231</b>	<b>223,652</b>
<b>EQUITY</b>			
Contributed capital		10,000	10,000
Retained earnings		54,071	34,611
<b>Total equity</b>		<b>64,071</b>	<b>44,611</b>
<b>Total liabilities and equity</b>		<b>\$ 298,302</b>	<b>\$ 268,263</b>
Lease commitments	11		
Contingencies	20		

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

Authorized for issue by the Board of Directors on June 5, 2024



**Douglas J. Harrison**  
Chair, Board of Directors



**Guy Desrochers**  
Chair, Audit Committee

## Statement of Comprehensive Income

For the year ended March 31	Notes	2024	2023
<b>REVENUES</b>			
Fees for service	15	\$ 27,128	\$ 27,497
Finance income		11,956	6,851
Other income	16	131	202
		39,215	34,550
<b>GOVERNMENT FUNDING</b>			
Parliamentary appropriation	17	13,962	13,000
		13,962	13,000
<b>EXPENSES</b>			
Operating and administrative expenses	18	29,473	27,577
Finance costs	11	212	217
		29,685	27,794
<b>Net profit before gain (loss) on foreign exchange</b>		23,492	19,756
Gain (loss) on foreign exchange		(59)	762
<b>Net profit</b>		\$ 23,433	\$ 20,518
<b>OTHER COMPREHENSIVE INCOME ITEMS THAT WILL NOT BE RECLASSIFIED TO NET PROFIT</b>			
Actuarial gain on employee benefits obligation		27	21
<b>Total comprehensive income</b>		\$ 23,460	\$ 20,539

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

## Statement of Changes in Equity

For the year ended March 31, 2024	Note	Contributed Capital	Retained Earnings	Total
BALANCE MARCH 31, 2023		\$ 10,000	\$ 34,611	\$ 44,611
Net profit			23,433	23,433
Actuarial gain on employee benefits obligation			27	27
Total comprehensive income			23,460	23,460
Dividend	13		(4,000)	(4,000)
<b>BALANCE MARCH 31, 2024</b>		<b>\$ 10,000</b>	<b>\$ 54,071</b>	<b>\$ 64,071</b>

For the year ended March 31, 2023	Note	Contributed Capital	Retained Earnings	Total
BALANCE MARCH 31, 2022		\$ 10,000	\$ 15,072	\$ 25,072
Net profit			20,518	20,518
Actuarial gain on employee benefits obligation			21	21
Total comprehensive income			20,539	20,539
Dividend	13		(1,000)	(1,000)
<b>BALANCE MARCH 31, 2023</b>		<b>\$ 10,000</b>	<b>\$ 34,611</b>	<b>\$ 44,611</b>

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

## Statement of Cash Flows

For the year ended March 31	Notes	2024	2023
<b>OPERATING ACTIVITIES</b>			
Net profit		\$ 23,433	\$ 20,518
Adjustments to determine net cash from (used in) operating activities:			
Depreciation property and equipment	7	816	278
Depreciation right-of-use assets	8	1,460	305
Employee benefit recovery		(167)	(93)
Employee benefit payments		(128)	(60)
Foreign exchange gain on cash and cash equivalents		(788)	(2,350)
Gain on lease termination	11, 18	(2,488)	-
Change in working capital from:			
Accounts receivable	5, 14	1,484	11,198
Other assets	6	(137)	(12)
Accounts payable and accrued liabilities	9, 14	65,737	(12,510)
Advances		(53,552)	164,484
Deferred revenue	10	1,169	753
Cash provided by operating activities		36,839	182,511
<b>INVESTING ACTIVITIES</b>			
Acquisitions of property and equipment	7	(361)	(133)
Cash used in investing activities		(361)	(133)
<b>FINANCING ACTIVITIES</b>			
Principal repayment of lease liabilities	11	(535)	(505)
Lease termination fee	11	(2,846)	-
Dividend paid	13	(4,000)	(1,000)
Cash used in financing activities		(7,381)	(1,505)
Effect of exchange rate changes on cash and cash equivalents		788	2,350
Net increase in cash and cash equivalents		29,885	183,223
Cash at the beginning of the year		250,037	66,814
<b>Cash and cash equivalents at the end of the year</b>		<b>\$ 279,922</b>	<b>\$ 250,037</b>
<b>Supplementary disclosure of cash flows from operating activities</b>			
Amount of interest received		\$ 11,834	\$ 6,601
Amount of interest paid		\$ 137	\$ 177

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

## 1. Nature, organization and funding

The Canadian Commercial Corporation (the Corporation) was established in 1946 by the *Canadian Commercial Corporation Act* (CCC Act). The Corporation is wholly owned by the Government of Canada and is an agent Crown corporation listed in Part I of Schedule III of the *Financial Administration Act* (FAA). The Corporation is accountable for its affairs to Parliament through the Minister of Export Promotion, International Trade and Economic Development (the Minister). The Corporation is domiciled and operates in Canada with a head office located at 350 Albert Street, Ottawa, Ontario.

The Corporation acts as the prime contracting agency for Canadian exporters when foreign governments, international organizations, or foreign private sector buyers wish to purchase products and services from Canada through the Government of Canada. The Corporation enters into prime contracts with these foreign buyers and into corresponding domestic contracts with Canadian exporters. Additionally, the Corporation enters into certain sourcing services agreements to procure goods and services for international end users on behalf of the Government of Canada and foreign governments.

The Corporation's operations are funded by Fees for service, supplemented by parliamentary appropriation from the Government of Canada.

In September 2008, the Corporation, together with a number of other Crown corporations, was issued a directive (P.C. 2008-1598) pursuant to Section 89 of the FAA, entitled *Order giving a direction to parent Crown corporations involved in commercial lending to give due consideration to the personal integrity of those they lend to or provide benefits to in accordance with Government's policy to improve the accountability and integrity of federal institutions*. The Corporation implemented the directive effective January 1, 2010, and has remained compliant with the directive since then.

In July 2015, the Corporation was issued a directive (P.C. 2015-1110) pursuant to section 89 of the FAA to align its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations, and to report on the implementation of this directive in the Corporation's next corporate plan. The Corporation implemented the directive in August 2016 and has remained compliant with the directive since then.

The Corporation is not subject to the provisions of the *Income Tax Act*.

## 2. Basis of preparation

### a) Compliance with IFRS Accounting Standards

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board as at, and for the year ended March 31, 2024.

### b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for, as permitted by IFRS and to the extent material, the following items:

- Accrued employee benefit liabilities for post-employment and other long-term employee benefit plans are recognized at the present value of the defined benefit obligations.



## **c) Use of estimates and judgments**

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosure of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results may differ significantly from estimates, resulting in significant differences in the related financial statement balances.

Estimates and underlying assumptions are reviewed on an ongoing basis and in detail as at the date of the financial statements. Any changes in estimates are reflected in the financial statements in the period in which they become known and in any future periods affected.

### **KEY SOURCES OF ESTIMATION UNCERTAINTY**

The key sources of estimation uncertainty during the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year, are discussed below:

#### **i) Impairment of accounts receivable and unbilled revenue**

When measuring expected credit loss for its accounts receivable and unbilled revenue, the Corporation uses historical credit loss experience as well as assesses whether there are any changes in the foreign buyers' credit risk by incorporating forward-looking information that is available without undue cost or effort. Changes such as a significant deterioration in the foreign buyers' external credit rating, adverse changes in the foreign buyers' financial or economic conditions or the impact of any unresolved contract issues would affect the amount of expected credit loss and the carrying value of accounts receivable and unbilled revenue. Further information on the Corporation's determination of expected credit loss is provided in note 3(g).

#### **ii) Property and equipment**

Property and equipment with finite useful lives, are depreciated over their useful lives. Useful lives are significant inputs used in developing management's estimates of the periods of service and subsequent depreciation of the assets. The useful lives of these assets are reviewed annually for continued appropriateness. Changes to the useful life inputs would affect the timing of future depreciation expense and the future carrying value of assets. The carrying amounts of the property and equipment as at the end of the reporting periods are included in note 7.

#### **iii) Assumptions used to determine the carrying value of employee benefits**

The determination of the Corporation's employee benefit obligation depends on certain assumptions, which include selection of the discount rate, seniority and promotional salary increases, withdrawal rates, rates of retirement, pensionable disability, mortality, and longevity improvement factors, taken from the actuarial report on the pension plan for the Public Service of Canada. The underlying assumptions adopted in measuring the employee benefit obligation are reviewed annually by management. Changes in these assumptions can have a significant impact on the carrying value of the Corporation's employee benefits liability. Further information on the Corporation's employee benefits is provided in note 12.

**iv) Unsatisfied (or partially unsatisfied) performance obligations**

Unsatisfied, or partially unsatisfied, contractual performance obligations are mostly due to services which are yet to be provided by the Corporation over the remaining duration of the contract. The actual amounts may differ from the estimated transaction prices allocated to unsatisfied, or partially unsatisfied contracted performance obligations due to a variety of factors, including the unpredictable nature of customer behaviour, industry regulation, and the economic and political environments in which the Corporation operates. Further information on the Corporation's unsatisfied or partially unsatisfied performance obligations is provided in note 15(b).

**v) Provisions and contingent liabilities**

The need for a provision for contract remediation expenses or other contract related liabilities is analyzed as at the date of the Statement of Financial Position. A provision is recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation. The Corporation may also need to disclose a contingent liability, which is a possible legal or constructive obligation that arises from a past event, or a present legal, or constructive obligation that arises from a past event but is not recognized because it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the obligation cannot be made. In determining a reliable estimate of the obligation, management must make assumptions about the amount and likelihood of outflows, the timing of outflows and the discount rate to use. Should the actual amount or timing of the outflows deviate from the assumptions made by management, there could be a significant impact on the Corporation's liabilities. Further information on the Corporation's provisions and contingent liabilities is provided in note 3(j).

**vi) Allocation of expenses to administer the DPSA**

The allocation of expenses to administer the Defence Production Sharing Agreement program (DPSA) is based on resources utilized for its administration. The estimation of how the Corporation utilizes its resources across its various business lines is reviewed periodically for continued appropriateness. Changes to how the Corporation utilizes its resources would affect the allocation of expenses to the DPSA and therefore, could impact the amount of revenue recognized related to parliamentary appropriation from the Government of Canada as the funding is to be used exclusively for the costs of administering the DPSA. Further information on the allocation of expenses to the DPSA and the related parliamentary appropriation from the Government of Canada is provided in the "Judgments" section of the current note, in note 3(b) and note 17.

## **JUDGMENTS**

The following are critical judgments that management has made in applying the Corporation's accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

**i) Determination of the accounting, amount and timing of revenue recognition and related expenses**

Management uses judgment in determining that the Corporation is acting as an agent in its revenue transactions as goods and services are delivered directly from the Canadian exporter to the foreign buyer, without the Corporation controlling them prior to the transfer to the foreign buyer. Reporting as an agent results in the most faithful representation of the economic benefit to the Corporation from these transactions.

The Corporation has also determined that it has one performance obligation in its contracts with customers and that revenue is recognized over time as performance obligations are satisfied to earn Fees for service. Management has also determined that its performance obligations recognized over time are measured using an output method based on contract milestone events or time elapsed depending on the terms and conditions of contracts. For additional information on the accounting policies impacted by these judgments, refer to note 3(a).

**ii) Cost recovery transactions**

Management uses judgment in determining the most appropriate method of accounting for cost recovery components of certain contracts. Reporting as an agent, in situations whereby the Corporation receives funds for reimbursement of expenses on a cost recovery basis, the funds received are accounted for as an offset to expenses.

**iii) Allocation of indirect expenses related to the administration of DPSA**

Management uses judgment in determining that the most appropriate method of allocating indirect expenses to the administration of the DPSA is based on the DPSA's proportionate share of direct salaries and benefits. Indirect expenses allocated to the DPSA, which are included in the Corporation's Operating and administrative expenses, impact the recognition of revenue related to parliamentary appropriation from the Government of Canada, as revenue is recognized in the period when the related expenses are incurred, and the current year funding is to be used exclusively for the costs of administering the DPSA (see note 3(b) and note 17).

**iv) Impairment of accounts receivable and unbilled revenue**

The Corporation measures a loss allowance on accounts receivable and unbilled revenue equal to the lifetime expected credit loss. The amount of expected credit loss is updated at each reporting date to reflect changes in credit risk and judgement is required in assessing whether the credit risk on a financial asset has increased or decreased significantly. In its assessment, management considers the risk of a default occurring on the accounts receivable and unbilled revenue at the reporting date by considering the Corporation's history of credit losses with the foreign buyer, the ageing of the accounts receivables, the impact of any unresolved contract issues related to accounts receivable and unbilled revenue, as well as determining the potential impact of an improvement or deterioration of a foreign buyer's credit rating or changes in the foreign buyer's financial or economic condition on the Corporation's expected credit loss. Further information on the Corporation's determination of expected credit loss and the corresponding allowance is provided in note 3(g) and note 14(a).

**v) Right-of-use assets and lease liabilities**

Management has used judgment when determining the following for right-of-use assets and lease liabilities:

- Whether a contract contains a lease or a service, and whether it conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration. Factors used by management to determine whether a contract meets the definition of a lease include, but are not limited to:
  - Whether an identified asset exists – the asset may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset cannot be identified;
  - Whether a right exists to obtain substantially all the economic benefits, and;
  - Whether the Corporation has the right to direct the use of the asset. The Corporation has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.
- The appropriate lease term, in consideration of early termination or extension options, is to be considered in measurement of the lease liability. In making this assessment, management considers a number of factors, including past practice, market conditions, recent leasehold improvements, the economic benefits of exercising the options and contract specific termination clauses. The Corporation reassesses whether or not an option would be reasonably certain to be exercised when a significant event or significant change in circumstances occurs.

- The appropriate incremental borrowing rate (IBR) to discount the lease payments, when the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Corporation would have to pay to borrow funds over similar terms and with similar security to obtain an asset of similar value to the underlying asset of the lease. The Corporation's IBR is based on the yields of zero-coupon Government of Canada bonds with durations approximating the lease term adjusted for the Corporation's financing spread.
- The appropriate term over which the right-of-use asset should be depreciated; and whether existing right-of-use assets are subject to impairment. Some indicators of impairment that management may consider include changes in the current and expected future use of the right-of-use asset and obsolescence or physical damage to the right-of-use asset. Further information on the Corporation's lease liabilities and right-of-use assets are provided in note 3(i).

**vi) Provisions and contingent liabilities**

In determining whether an item is recognized in the financial statements as a provision or disclosed as a contingent liability in the notes, management must exercise judgment. Such judgments include whether the obligation is a present obligation or a possible obligation, whether it is probable that an outflow of resources will be required to settle the obligation, and whether a reliable estimate of the obligation can be made. In making this determination, management may use past experience, prior external precedents and the opinion and views of legal counsel. Further information on the Corporation's provision and contingent liabilities are provided in note 3(j).

## **d) Functional and presentation currency**

The Corporation's functional and presentation currency is the Canadian dollar.

## **3. Material accounting policy information**

The material accounting policy information of the Corporation are summarized below. These policies have been consistently applied to all periods presented, unless otherwise stated.

The Corporation operates under a unique business model. The Corporation is the prime obligor on all contracts with foreign government buyers (prime contract), in order to provide them with the Government of Canada guarantee on performance. Canadian exporters, through a domestic contract which includes all specifications of the prime contracts, perform the execution of the work specified in those prime contracts. The funds received from the foreign buyer, except the Fees for service portion, are remitted by the Corporation to the Canadian exporters. Since goods and services are delivered directly from the Canadian exporter to the foreign buyer, without the Corporation controlling them prior to transfer to the foreign buyer, management has concluded that the Corporation is an agent for the purposes of financial reporting under the *IFRS 15 - Revenue from contracts with customers (IFRS 15)* accounting standard. Although reporting as an agent, the Corporation maintains its performance guarantee towards foreign buyers. For Government of Canada initiatives, the Corporation also reports as an agent when entering into sourcing services contracts on behalf of other government organizations.

## a) Contracts

The following section discusses revenue recognition policies for contracts generating Fees for service for the Corporation.

### FEES FOR SERVICE REVENUE

#### Performance Obligations

The Corporation has performance obligations to earn Fees for service revenue. These performance obligations, as well as other revenue recognition related items and balances, by type of contract are described as follows:

##### International Prime Contracts

International Prime Contract performance obligations are established via the domestic contracts with Canadian exporters. For these contracts, the Corporation has identified one performance obligation, which is the promise to perform all activities required for the Canadian exporter to obtain payment under the terms and conditions of the prime contract. Since the Corporation has concluded that it has one performance obligation on these contracts, there is no requirement for allocation of the transaction price to multiple performance obligations.

The transaction price for the Fees for service revenue is generally established as a percentage of the value of the prime contract. Fees for service are negotiated with Canadian exporters and represent the transaction price to satisfy the performance obligation the Corporation has towards the Canadian exporter.

Fees for service are recognized over time as the Corporation performs activities required to satisfy its performance obligation to the Canadian exporter. This occurs throughout the life of the contracts as the Canadian exporters receive the benefits from the Corporation's services. Fees for service are measured as a percentage of amounts billed to the foreign buyer once the Corporation has completed all its activities required for the Canadian exporter to obtain payment. Once a payment is received from the foreign buyer, the Corporation flows the funds to the Canadian exporter, net of Fees for service, based on the payment terms stipulated within the domestic contract. Any amounts received from a foreign government buyer which are due to the Canadian exporter at the end of the reporting period are included in Accounts payable as a liability.

Accounts receivable primarily represent amounts due to the Corporation from foreign buyers. These amounts can include fees earned for services provided to Canadian exporters which are collected from the payments made by foreign buyers. Accounts receivable also includes amounts not related to fees, but rather amounts that the Corporation has paid to Canadian exporters prior to receiving the corresponding amount from foreign buyers.

As part of International Prime Contracts, the Corporation has Concessions contracts for electronic lotteries provided by a Canadian exporter in various countries. Under this program, the Corporation has one performance obligation to the Canadian exporter, which is to leverage its capacity as a Government of Canada organization to manage prime contracts for electronic lotteries with foreign governments over the term of the contract, allowing the Canadian exporter to benefit from these operations abroad and earn revenues.

The transaction price for the lottery programs contains a fixed and variable consideration portion. The fixed portion is included in the transaction price at contract inception and recognized as revenue over time and measured on a straight-line basis. Since the variable consideration portions depend on future ticket sales performance and cannot be reliably estimated at contract inception, the revenues are assessed at the end of each reporting period and recognized as a change in the transaction price. Since there is only one performance obligation, there is no allocation of the transaction price to multiple performance obligations.

### **Sourcing**

The Corporation acts as an agent on behalf of Government of Canada departments or agencies to provide sourcing services in support of international assistance programs and for procurement contracts with other Government of Canada entities.

The Corporation has identified one performance obligation to Government of Canada departments or agencies to earn Fees for service, which is to provide ongoing assistance and maintain resources available over the term of Supply Arrangement Agreements (SAAs).

The transaction price for these agreements contains a fixed portion and, in some cases, a variable portion. The fixed portion and the variable portion, for which the likelihood of a revenue reversal arising from uncertain future events is low, are included in the transaction price at contract inception. Other variable considerations, for which the likelihood of a revenue reversal is uncertain, are assessed at the end of each reporting period with revenue recognized as changes in the transaction price in the period when the amount becomes certain. Since the Corporation has one performance obligation under SAAs, there is no requirement for allocation of the transaction price to multiple performance obligations.

Due to the nature of these contracts, Fees for service revenue is recognized over time and measured on a straight-line basis, in the year they are earned as the Corporation's performance obligation is satisfied.

Additionally, the Corporation provides services in support of a Government of Canada program to maintain Canadian representative offices abroad. The Corporation earns Fees for service revenue which is fixed at a negotiated rate for services provided for this program. Also, as a result of this initiative, the Corporation incurs operating and administrative expenses related to the foreign offices that are fully reimbursed by the Government of Canada department. In these situations, the funds received for reimbursement are accounted for as a reduction of operating and administrative expenses.

### **DPSA**

The Corporation administers, on behalf of the Government of Canada, the Defence Production Sharing Agreement (DPSA), a bilateral defence trade agreement with the United States of America. Reporting as an agent, the Corporation does not report the sale of goods and provision of services from DPSA contracts. However, the Corporation still reports the flow of funds between the foreign buyer and Canadian exporters under these contracts. This may impact the Corporation's balances of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and advances at the end of a reporting period as a result of timing differences between the receipt of cash from the foreign buyer and payment to the Canadian exporters. Additionally, per terms and conditions of the DPSA agreement, the Corporation does not receive Fees for service on DPSA contracts. Operating and administrative expenses incurred by the Corporation in administering the DPSA are funded by the Government of Canada.

### **UNBILLED REVENUE ASSETS AND DEFERRED REVENUE LIABILITIES**

Unbilled revenues are financial assets representing the Corporation's right to receive Fees for service for the completion of performance obligations that are not yet billed as at the reporting date. Unbilled revenues are included in Other Assets on the Statement of Financial Position.

Deferred revenue liabilities represent consideration for amounts invoiced to customers for which Fees for service revenue have not yet been earned and are accounted for as non-monetary balances.

When the same contract has both Unbilled revenue assets and Deferred revenue liabilities, they are presented on a net basis.

## **ADVANCES**

Advances are financial liabilities and represent funds received from foreign buyers and others being held by the Corporation for future payments to Canadian exporters and others. The Corporation recognizes the advances received from foreign buyers and others as advance liabilities which are reduced as amounts become payable to Canadian exporters and others.

## **b) Government funding**

### **PARLIAMENTARY APPROPRIATION**

A parliamentary appropriation that is not in the nature of contributed capital is recognized as revenue in the year for which it is appropriated, once authorized by the Parliament of Canada. An appropriation that is restricted by legislation and related to expenses of future periods is deferred and recognized as revenue in the period when the related expenses are incurred.

The parliamentary appropriation is to be used exclusively for expenses related to the administration of the DPSA. Any unused appropriation at the end of a fiscal year is to be returned to the government.

An authorized parliamentary appropriation used for the purchase of property and equipment is deferred and amortized on the same basis as the related asset.

## **c) Finance income**

Finance income represents interest earned on cash and cash equivalent balances held during the year, and interest charged to foreign buyers related to late payments. Finance income is presented net of interest paid on cash and cash equivalent balances held on behalf of foreign buyers or Canadian exporters as per terms and conditions of the underlying contract with the Corporation.

## **d) Other income and early payments made to exporters**

Other income is comprised mainly of income from early payments made by the Corporation to Canadian exporters for work performed but not yet due for payment by the foreign buyer. Early payments are made primarily to DPSA related exporters but can also be made to non-DPSA exporters as well. The early payments are paid to Canadian exporters at discounted amounts and recorded as an accounts receivable in the Statement of Financial Position, at which time the discounting income is also recognized by the Corporation as earned. The accounts receivable is reduced as amounts are collected from the foreign buyer or recovered from the Canadian exporter. The amount that early payments are discounted is determined by applying varying percentages based on the number of days of early payment. Additionally, other income also includes miscellaneous amounts mostly related to contract related adjustments.

## **e) Foreign currency translation**

Monetary assets, liabilities and period-end accruals denominated in foreign currencies are translated into Canadian dollars at the period-end exchange rates. Revenues and expenses are translated at the average monthly exchange rate. Non-monetary liabilities denominated in foreign currencies that are measured at historical cost using the exchange rate at the date of the transaction are not retranslated. Revenues recognized from the derecognition of non-monetary liabilities are translated using exchange rate in effect at the time the related non-monetary liabilities were recognized. Any gains or losses on foreign currencies are recorded as a gain or loss on foreign exchange within profit or loss in the Statement of Comprehensive Income.

## **f) Fair value measurement**

All financial assets and liabilities are initially recognized on the Statement of Financial Position at fair value. The fair value of a financial asset or liability is the price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date. Subsequent to initial recognition, fair value is determined by using observable market data based on a three-level hierarchy as follows:

- Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Corporation has the ability to access at the measurement date.
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 – Inputs that are unobservable as a result of little if any market activity. Inputs into the determination of fair value that require significant management judgment or estimation.

The fair value of accounts receivable, unbilled revenues, advances and accounts payable and accrued liabilities approximates their carrying value due to their relative short-term nature.

## **g) Financial instruments**

The term “financial instrument” is defined as any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

All financial assets and liabilities (including assets and liabilities designated at amortized cost or fair value through profit or loss) are recognized initially on the date at which the Corporation becomes a party to the contractual provisions of the instrument.

The Corporation derecognizes a financial asset when the contractual rights to receive the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Corporation is recognized as a separate asset or liability.

The Corporation derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset, and the net amount is presented in the Statement of Financial Position only when the Corporation has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.



## NON-DERIVATIVE FINANCIAL INSTRUMENTS

### i) Cash and cash equivalents

Cash and cash equivalents held during the year include cash, demand deposits and temporary investments, maturing in less than three months from acquisition date and are recorded at fair value, net of any bank overdrafts. When applicable, the cash equivalents are considered to be highly liquid, readily convertible to cash and are subject to an insignificant risk of changes in value. All interest income, gains and losses are recognized in finance income in the period in which they arise. The fair value of cash and cash equivalents approximates their carrying value, due to their short-term maturity, and are held to manage cash flow requirements. The Corporation earns income on cash balances not required for immediate operational needs. The Corporation has designated its cash and cash equivalents as financial assets at fair value through profit or loss. The changes in fair value of cash and cash equivalents denominated in foreign currencies are recognized in the period incurred as a gain or loss on foreign exchange within profit or loss in the Statement of Comprehensive Income.

### ii) Accounts receivable

Accounts receivable are classified at amortized cost, which are initially recognized at fair value. Subsequent to initial recognition, the carrying value of accounts receivable are measured at amortized cost using the effective interest method, less any impairment losses. The Corporation has contractual recourse, in all material respects, whereby the Canadian exporter assumes the risk of non-payment from the foreign buyer for goods and services on contracts.

However, in the unlikely event a foreign buyer would default on contractual payments, the Corporation would not collect Fees for service from Canadian exporters until a favourable settlement has been received from the foreign buyer. As a Crown corporation created to support Canadian exporters, the Corporation shares the risk of non-payment from foreign buyers with the Canadian exporters that directly impacts the Corporation's collectability of Fees for service. The Corporation monitors the ageing of accounts receivable as well as the impact of any unresolved contract issues on accounts receivable and should a provision become necessary, it would be recognized in the Corporation's financial statements.

### iii) Accounts payable and accrued liabilities, and advances

Accounts payable and accrued liabilities, and advances are classified at amortized cost and are initially recognized at fair value. Subsequent to initial recognition the carrying value of these financial liabilities are measured at amortized cost using the effective interest method.

## IMPAIRMENT OF ACCOUNTS RECEIVABLE AND UNBILLED REVENUES

The Corporation measures a loss allowance on accounts receivable and unbilled revenues equal to the lifetime expected credit loss. Lifetime expected credit loss represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. The amount of expected credit loss is updated at each reporting date to reflect changes in credit risk of the respective financial asset. The expected credit losses on accounts receivable and unbilled revenues are estimated based on the Corporation's historical credit loss experience adjusted for factors specific to foreign buyers or other entities including credit risk rating, general economic conditions, an assessment of both the current and forecasted direction of conditions at the reporting date, as well as the impact of any unresolved contract issues on the collectability of accounts receivable and unbilled revenue. The allowance for expected credit loss is related to credit risks identified that are associated to individual accounts receivable balances.

**i) Changes in credit risk**

In assessing whether the credit risk on a financial instrument has increased or decreased significantly, the Corporation considers the risk of a default occurring on the financial instrument at the reporting date. In making this assessment, the Corporation considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes actual and forecasted economic information from various external sources regarding the foreign buyer.

In particular, the following information is taken into account when assessing whether credit risk has increased or decreased significantly:

- An actual or expected significant improvement or deterioration in the foreign buyer's external credit rating;
- Existing or forecast changes in financial or economic conditions that are expected to cause a significant increase or decrease in the foreign buyer's ability to meet its contractual obligations; and
- Any unresolved contract issues that may impact the settlement of financial assets.

In relation to the foreign environment in which it operates, it is normal for the Corporation to encounter delays in collecting certain accounts receivable, therefore, the Corporation has rebutted the presumption that there have been significant increases in credit risk when its accounts receivable are more than 30 days past due.

**ii) Write-off policy**

The Corporation writes off a financial asset when there is information indicating that there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Corporation's recovery procedures. Any recoveries made are recognized within profit or loss in the Statement of Comprehensive Income.

## **h) Property and equipment**

Property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. When components of an item of property and equipment have different useful lives, they are accounted for as separate items of property and equipment.

Property and equipment include costs associated with information systems hardware and operating systems, leasehold improvements, and furniture and equipment. These amounts include any costs directly attributable to bringing the asset to the Corporation and in the condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is calculated based on the cost of an asset less its residual value over the useful life of the asset. Information systems hardware and operating systems as well as furniture and equipment are depreciated, once available for use, on a straight-line basis over their estimated useful life of three to four years and five years respectively. Leasehold improvements are depreciated on a straight-line basis over the lesser of the useful life and the remaining term of the lease agreement.

Gains and losses on the disposal of an item of property and equipment are determined by comparing the proceeds with the carrying amount and are recognized within profit or loss in the Statement of Comprehensive Income for the period.

The useful life and depreciation method of an asset is reviewed at each fiscal year-end and, if expectations differ from previous estimates, the resulting change(s) in depreciation will be accounted for as a change in an accounting estimate.

## **IMPAIRMENT OF PROPERTY AND EQUIPMENT**

Property and equipment with finite useful lives are reviewed for impairment at each reporting date to determine if there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated, and an impairment loss is recognized to the extent the carrying amount of the asset exceeds the estimated recoverable amount. The recoverable amount is calculated as the higher of an asset's fair value less costs to sell and its value in use.

Impairment losses recognized in prior periods are assessed at the end of each reporting period to determine if there is any indication that the impairment no longer exists or has decreased. If there is indication that it decreased or is eliminated, then the Corporation will estimate the new recoverable amount and an impairment reversal will be recognized. The increased carrying amount attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset(s) in prior years. This reversal amount will be recognized within profit or loss in the Statement of Comprehensive Income.

## **i) Right-of-use assets and lease liabilities**

### **RIGHT-OF-USE ASSETS**

At the inception of a contract, the Corporation assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period in time in exchange for consideration. If a lease is identified, the Corporation recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured as the sum of:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the lease commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset, or to restore the underlying asset or the site on which it is located to the condition required by the terms and conditions of the lease.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for certain remeasurement of the lease liability, if any.

The right-of-use asset is depreciated over the lesser of the estimated useful life of the underlying asset or the lease term on a straight-line basis. The lease term includes periods covered by an option to extend the lease if the Corporation is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Corporation is reasonably certain not to exercise that option.

### **LEASE LIABILITIES**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate (IBR).

**Notes to the Financial Statements as at March 31, 2024**  
(in thousands of Canadian dollars, unless otherwise indicated)

The lease payments included in the measurement of the lease liability are comprised of the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments (including in-substance fixed payments, if any), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if it is reasonably certain that the Corporation will exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Corporation exercising an option to terminate the lease.

Variable lease payments that do not depend on an index or rate, and are not in-substance fixed, are not included in the measurement of the lease liability and, subsequently, the right-of-use asset. These payments are recognized as an expense in the period in which they occur.

The IBR is the rate of interest that the Corporation would have to pay to borrow funds over similar terms and with similar security to obtain an asset of similar value to the underlying asset of the lease. The Corporation's IBR is based on the yields of zero-coupon Government of Canada bonds with durations approximating the lease term adjusted for the Corporation's financing spread.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured whenever:

- There is a change in the lease term, including a change in the assessment of whether an extension option will be exercised, in which case the lease liability is remeasured by discounting the revised lease payments on the basis of the revised lease term using a revised discount rate;
- The payments change due to changes in an index or rate, or a change in expected payments under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; and
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Corporation has elected to apply the following practical expedients:

- Apply a single discount rate to a portfolio of leases with similar characteristics.
- Not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.
- Account for lease components and non-lease components as a single lease component.

## j) Provisions and contingent liabilities

The need for a provision for contract remediation expenses or other contract related liabilities is analyzed as at the date of the Statement of Financial Position. Contract remediation expenses may be incurred by the Corporation if the Canadian exporter fails to fulfill its domestic contract obligations to the Corporation. The Corporation is responsible for ensuring that the terms of the prime contract with the foreign buyer are fulfilled regardless of the performance by the Canadian exporter. Contract remediation expenses and the associated provision are determined on a contract-by-contract basis, and may include completion, re-procurement, associated legal and other costs that are based on quotes or reliable estimates.

A provision is recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate can be made of the amount of the obligation.

To the extent material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. If it is determined that an outflow of resources is no longer probable to settle the obligation, then the provision will be reversed.

## k) Employee benefits

### POST-EMPLOYMENT BENEFITS

Substantially all of the employees of the Corporation are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service costs. Pursuant to legislation currently in place, the Corporation has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an operating and administrative expense within profit or loss in the Statement of Comprehensive Income in the year when employees have rendered service.

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2% of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

### OTHER LONG-TERM EMPLOYEE BENEFITS

As provided under labour contracts and conditions of employment, employees are permitted to accumulate unused sick leave. However, such leave entitlements are non-vesting and can only be used in the event of illness. The cost of this other long-term employee benefit is accrued as employees render the services necessary to earn them. The valuation of the liability is based on a discount rate determined by reference to market yields at the end of the reporting period on high-quality corporate bonds. Actuarial gains or losses are considered workforce compensation and related expenses and are recognized as incurred in operating and administrative expenses within profit or loss in the Statement of Comprehensive Income.

A full actuarial valuation of the outstanding sick leave benefits obligation is performed annually.

## **OTHER EMPLOYEE BENEFITS**

The federal government sponsors a variety of other future benefit plans from which employees and former employees may benefit during employment or upon retirement. The Public Service Health Care Plan and the Corporation's Dental Plan are the two principal plans available to employees and retirees of the Corporation. The Corporation's responsibility with regard to these two plans is limited to its contributions, which are considered workforce compensation and related expenses and are recorded as operating and administrative expenses within profit or loss in the Statement of Comprehensive Income.

## **I) Application of new and revised International Financial Reporting Standards**

### **STANDARDS ADOPTED EFFECTIVE APRIL 1, 2023**

In May 2017, the IASB issued *IFRS 17 – Insurance Contracts*. The new standard requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. The adoption of IFRS 17 had no impact on the Corporation's financial statements since the Corporation did not have any contracts in scope of *IFRS 17*.

In January 2020, the IASB issued *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)* providing more clarity regarding the classification of liabilities as current or non-current based on rights that are in existence at the end of the reporting period, unaffected by expectations about whether the entity will exercise any rights to defer settlement of a liability. The amendments affect only the presentation of liabilities in the Statement of Financial Position – not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose about those items. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. However, the Corporation has opted to early adopt for the current fiscal year. The adoption had no impact on the Corporation's financial statements.

In June 2021, the IASB issued amendments to *IAS 1 – Presentation of Financial Statements*. The amendments require entities to disclose their material accounting policy information rather than their significant accounting policies. The IASB has developed guidance and examples to help entities apply materiality judgments to accounting policy disclosure. The adoption of the amendments to *IAS 1* had minor impacts on certain disclosures in Note 3 of the Corporation's financial statements.

In June 2021, the IASB issued amendments to *IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments introduce a definition of accounting estimates and provide other clarifications to help entities distinguish accounting policies from accounting estimates. The adoption of the amendments to *IAS 8* had no impact on the Corporation's financial statements.

### **STANDARDS AND AMENDMENTS NOT YET IN EFFECT**

The following new standards, amendments and annual improvements issued by the IASB have been assessed as having a potential effect on the Corporation in the future.

In May 2023, the IASB issued amendments to *IAS 7 – Statement of Cash Flows* and *IFRS 7 – Financial Instruments: Disclosures* to introduce new disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and are not expected to have a significant impact on the Corporation's financial statements.

**Notes to the Financial Statements as at March 31, 2024**  
(in thousands of Canadian dollars, unless otherwise indicated)

In August 2023, the IASB issued amendments to *IAS 21 – The Effects of Changes in Foreign Exchange Rates*. The amendments require entities to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide. The amendments are effective for annual reporting periods beginning on or after January 1, 2025. The assessment of these amendments is in progress. Based on preliminary analysis they are not expected to have a significant impact on the Corporation's financial statements.

## 4. Cash and cash equivalents

Cash and cash equivalents balances include advances received from foreign buyers and others not yet paid to Canadian exporters and, when applicable, amounts held back from Canadian exporters to be remitted at later dates in accordance with the terms and conditions of contracts. Also, see note 14 for a description of the Corporation's revolving line of credit that is included in the balance of cash.

The components of cash and cash equivalents were as follows as at March 31:

	2024	2023
Cash	\$ 254,734	\$ 250,037
Notice deposits	25,188	–
<b>Cash and cash equivalents</b>	<b>\$ 279,922</b>	<b>\$ 250,037</b>

As of March 31, 2024, in connection with an agreement with a foreign buyer, CCC holds cash of \$58.6 million (2023 – nil) in a separate bank account for the benefit of that foreign buyer. The Corporation has judged that although it has certain contractual responsibilities regarding the administration of this bank account, it does not have control of the future economic benefits relating to this cash. As such, the Corporation has not recognized this cash as an asset of the Corporation and also has not recognized any corresponding advance amount within liabilities.

Cash and cash equivalents had the following balances by currency as at March 31:

	2024		2023	
	Original currency	Canadian dollars	Original currency	Canadian dollars
Canadian dollars	140,188	\$ 140,188	142,257	\$ 142,257
U.S. dollars	101,282	137,217	70,331	95,052
Euros	931	1,360	8,344	12,225
Chinese renminbi	6,178	1,157	2,553	503
		<b>\$ 279,922</b>		<b>\$ 250,037</b>

## 5. Accounts receivable

Accounts receivable include amounts that are due to the Corporation for Fees for service invoiced and yet to be collected, amounts due from foreign buyers related to amounts already paid to Canadian exporters and other amounts primarily from Canadian government organizations. These amounts are based on normal international trade terms and are generally non-interest bearing.

The Corporation's accounts receivable consisted of the following as at March 31:

	2024		2023	
Accounts receivable	\$	10,314	\$	12,820
Accrued receivables		1,272		250
	\$	11,586	\$	13,070

The accrued receivables include \$962 (2023 – nil) of parliamentary appropriation authorized for this fiscal year which has not been received.

The currency profile of the Corporation's accounts receivable was as follows as at March 31:

	2024		2023	
	Original currency	Canadian dollars	Original currency	Canadian dollars
U.S. dollars	4,631	\$ 6,274	8,603	\$ 11,627
Canadian dollars	5,312	5,312	1,443	1,443
		\$ 11,586		\$ 13,070

Credit and market risks related to accounts receivable are disclosed in note 14.

## 6. Other assets

The Corporation's other assets included the following as at March 31:

	2024		2023	
Prepaid expenses	\$	760	\$	662
Unbilled revenues		141		102
	\$	901	\$	764



## 7. Property and equipment

For the year ended March 31, 2024	Furniture and Equipment	Leasehold improvements	Information systems-hardware	Total
<b>Cost</b>				
Balance March 31, 2023	\$ 1,001	\$ 2,802	\$ 793	\$ 4,596
Additions*	-	430	202	632
<b>Balance March 31, 2024</b>	<b>\$ 1,001</b>	<b>\$ 3,232</b>	<b>\$ 995</b>	<b>\$ 5,228</b>
<b>Accumulated depreciation</b>				
Balance March 31, 2023	\$ 1,001	\$ 1,289	\$ 558	\$ 2,848
Depreciation	-	692	124	816
<b>Balance March 31, 2024</b>	<b>\$ 1,001</b>	<b>\$ 1,981</b>	<b>\$ 682</b>	<b>\$ 3,664</b>
<b>Carrying amounts</b>				
Balance March 31, 2023	-	\$ 1,513	\$ 235	\$ 1,748
<b>Balance March 31, 2024</b>	<b>-</b>	<b>\$ 1,251</b>	<b>\$ 313</b>	<b>\$ 1,564</b>

\* Included in additions are non-cash transactions of \$271.

As a result of the lease termination, the depreciation of the leasehold improvements has been accelerated to reflect the reduced term of the lease. The impact represents a change in accounting estimate. The carrying amount of the leasehold improvements relating to the terminated lease will be fully depreciated by June 30, 2024.

For the year ended March 31, 2023	Furniture and Equipment	Leasehold improvements	Information systems-hardware	Total
<b>Cost</b>				
Balance March 31, 2022	\$ 1,001	\$ 2,802	\$ 660	\$ 4,463
Additions	-	-	133	133
<b>Balance March 31, 2023</b>	<b>\$ 1,001</b>	<b>\$ 2,802</b>	<b>\$ 793</b>	<b>\$ 4,596</b>
<b>Accumulated depreciation</b>				
Balance March 31, 2022	\$ 998	\$ 1,115	\$ 457	\$ 2,570
Depreciation	3	174	101	278
<b>Balance March 31, 2023</b>	<b>\$ 1,001</b>	<b>\$ 1,289</b>	<b>\$ 558</b>	<b>\$ 2,848</b>
<b>Carrying amounts</b>				
Balance March 31, 2022	\$ 3	\$ 1,687	\$ 203	\$ 1,893
<b>Balance March 31, 2023</b>	<b>-</b>	<b>\$ 1,513</b>	<b>\$ 235</b>	<b>\$ 1,748</b>

## 8. Right-of-use assets

The Corporation's leasing activities relate to office space.

A reconciliation of the Corporation's right-of-use assets is as follows:

	2024	2023
Balance at the beginning of the year	\$ 2,644	\$ 2,949
Additions	2,546	–
Remeasurement	599	–
Depreciation	(1,460)	(305)
Balance at the end of the year	\$ 4,329	\$ 2,644

As a result of the lease termination, the depreciation of the remeasured right-of-use asset has been accelerated to reflect the reduced term of the lease. The carrying amount of the remeasured right-of-use asset relating to the terminated lease will be fully depreciated by June 30, 2024. Additional information on changes in leasing activities in the year is disclosed in note 11.

## 9. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities represent amounts due related to the Corporation's operating and administrative expenses, amounts due to Canadian exporters from amounts received from foreign buyers and other miscellaneous amounts due. These amounts are due on normal trade terms.

The Corporation's accounts payable and accrued liabilities consisted of the following as at March 31:

	2024	2023
Accounts payable	\$ 88,138	\$ 22,187
Accrued liabilities	4,131	3,972
	\$ 92,269	\$ 26,159

**Notes to the Financial Statements as at March 31, 2024**  
(in thousands of Canadian dollars, unless otherwise indicated)

The currency profile of the Corporation's accounts payable and accrued liabilities was as follows as at March 31:

	2024		2023	
	Original currency	Canadian dollars	Original currency	Canadian dollars
U.S. dollars	62,970	\$ 85,311	10,136	\$ 13,697
Canadian dollars	6,903	6,903	12,437	12,437
Euros	33	49	–	–
Chinese renminbi	30	6	127	25
		\$ 92,269		\$ 26,159

Market and liquidity risks related to accounts payable and accrued liabilities are disclosed in note 14.

## 10. Deferred revenue

A reconciliation of the Corporation's deferred revenue is as follows:

	2024	2023
Balance at the beginning of the year	\$ 1,360	\$ 607
Plus: additional deferred revenue	3,403	2,804
Less: amounts recognized as Fees for service	(2,230)	(2,041)
Impact of netting unbilled and deferred revenue from same contract	(4)	(10)
Balance at the end of the year	\$ 2,529	\$ 1,360

## 11. Lease liabilities

The Corporation's leasing activities relate to office space.

In November 2014, the Corporation entered into a fifteen-year lease agreement for office space at the Corporation's current location. The lease payments commenced on December 1, 2016, and the lease was set to expire at the end of November 2031 with options to either terminate earlier or extend the term of the lease. These options were not included in the initial measurement of the right-of-use asset and lease liability, since at contract inception, CCC was not reasonably certain to exercise either option.

**Notes to the Financial Statements as at March 31, 2024**  
(in thousands of Canadian dollars, unless otherwise indicated)

On February 2, 2024, the Corporation executed a termination lease agreement for its existing office space concurrently entering into a twelve-year lease agreement for new office premises. The new office space was made available for use in March 2024, and the lease expires on June 30, 2036.

As the Corporation is slated to vacate its current office space by June 30, 2024, it is expected that the leasehold improvements and the remeasured right-of-use asset associated with the terminated lease will be fully depreciated by that date. Additionally, the remeasured lease liability is anticipated to be entirely settled.

A reconciliation of the Corporation's lease liabilities is as follows:

	2024	2023
Balance at the beginning of the year	\$ 5,467	\$ 5,972
Additions	2,546	-
Remeasurement	(1,889)	-
Lease termination fee payment	(2,846)	-
Interest expense	147	177
Lease payments	(682)	(682)
Balance at the end of the year	\$ 2,743	\$ 5,467

Interest expense related to lease liabilities are included in finance costs. The Corporation's operating and administrative expenses include \$838 (2023 – \$804) related to variable lease payments not included in the measurement of lease liabilities. For the year ended March 31, 2024 and March 31, 2023, there were no significant expenses related to leases of low-value assets and short-term leases for which the recognition exemption has been applied.

The maturity profile of the Corporation's lease liabilities was as follows as at March 31, 2024:

	Total
Less than 5 years	\$ 181
5 to 12 years	2,562
	\$ 2,743

The Corporation is exposed to estimated future cash outflows (undiscounted) of \$6,907 related to variable lease payments. These amounts are not included in the measurement of the Corporation's lease liabilities.

## 12. Employee benefits

### a) Post-employment benefits

Substantially all of the employees of the Corporation are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employee required contributions. The Corporation's current contribution rates effective at year end were 1.02 times the employees' contribution to the Plan for plan members who were participating in the plan prior to January 1, 2013 (2023 – 1.02 times) and 1.0 times for plan members who were participating in the plan on or after January 1, 2013 (2023 – 1.0 times). The Corporation's total contributions for 2024 of \$1,675 (2023 – \$1,464) were recognized as workforce compensation and related expenses under operating and administrative expenses within profit in the Statement of Comprehensive Income in the year when employees have rendered service.

### b) Other long-term employee benefits

The Corporation provides accumulating, non-vested sick leave benefits to its employees, as provided for under labour contracts and conditions of employment.

This benefit plan is unfunded and thus has no assets, resulting in plan deficits equal to the accrued benefit obligations.

Information about the sick leave long-term benefit plan is as follows as at March 31:

	2024	2023
<b>Accrued benefit obligations</b>		
Balance at beginning of year	\$ 929	\$ 1,075
Current service cost	119	129
Interest cost	46	44
Benefits paid	(57)	(32)
Actuarial gains	(352)	(287)
<b>Total accrued benefit obligations at end of year</b>	<b>\$ 685</b>	<b>\$ 929</b>

The net actuarial (gains) for the sick leave benefit plan are included within profit in the Statement of Comprehensive Income.

Total accrued benefit obligations as at March 31, 2023, were also comprised of \$180 related to severance benefits.

The reduction in the employee sick leave benefits over the next twelve months are expected to be \$113 (2023 – \$63).

	2024	2023
<b>Economic assumptions</b>		
Accrued benefit obligations as of March 31		
Discount rate	4.77%	4.81%
Rate of economic salary increase	2.00%	2.00%
Benefit costs for year ended March 31		
Discount rate	4.81%	3.90%
Rate of economic salary increase	2.00%	2.00%

## 13. Capital management

The Corporation's objective with respect to capital management is to operate on a financially self-sustaining basis and deliver on its legislated mandate as a going-concern. This objective, and the implementation of strategies to optimize operating surpluses, ensures that capital is available to meet commitments as they become due; undertake investments to ensure the efficiency and effectiveness of operations; sustain the Corporation's workforce, facilities, systems and processes; and ensure that the Corporation maintains sufficient capital to backstop financial exposures to potential losses related to operational, performance and credit risks.

The Corporation defines capital as its contributed capital received from the Government of Canada and its retained earnings.

The Corporation is not subject to externally imposed capital requirements.

CCC considers four factors in managing its capital and determining financial sustainability: The timing of contractual revenues and expenses, net profit, working capital requirements, and equity position. Key strategies used by the Corporation to manage its capital base include minimizing contract remediation expenses, balancing growth with operating expenses, minimizing foreign exchange exposure and optimizing interest income.

On an annual basis, CCC's Board of directors considers the issuance of a dividend, or other forms of repatriation of capital, to the Government of Canada based on an analysis of CCC's financial sustainability, working capital or cash position, and future financial requirements for investments and risk coverage. As well, at the discretion of the Government of Canada, the Corporation may be required to return to the Government of Canada any part of capital deemed to be in excess of the amount required for the purposes for which the Corporation was constituted.

In June 2023, the Corporation's Board of Directors approved the issuance of a dividend of \$4.0 million which was paid during the current fiscal year.

On June 5, 2024, the Corporation's Board of Directors approved the issuance of a dividend of \$10.0 million payable to its shareholder.

The Corporation's breakdown of the equity was as follows as at March 31:

	2024	2023
Contributed capital	\$ 10,000	\$ 10,000
Retained earnings	54,071	34,611
	\$ 64,071	\$ 44,611

## 14. Risk management and financial instruments

The Corporation is exposed to credit risk, market risk and liquidity risk as a result of holding financial instruments. The Board of Directors has responsibility for the oversight of the Corporation's risk management framework and the review, approval and monitoring of the Corporation's risk management policies. This includes the development of an Enterprise Risk Management program, which involves establishing corporate risk tolerance, identifying and measuring the impact of various risks and developing risk management action plans to mitigate risks that exceed corporate risk tolerance.

The Audit Committee of the Board of Directors provides oversight of management's compliance with the Corporation's risk management policies and procedures, and periodically reviews the adequacy of the risk management framework in relation to the risk exposure of the Corporation. The Audit Committee is assisted in its oversight role by the Internal Audit function of the Corporation. Internal audits of the Corporation are performed as both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The following section is a description of the most significant risks associated with financial instruments and how the Corporation manages its risk exposure.

### a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The credit risk arises principally from the Corporation's cash and cash equivalents, accounts receivable and unbilled revenue which includes Fees for service due to the Corporation. The carrying amount of financial assets recorded in the financial statements represents the maximum exposure to credit risk.

### CASH AND CASH EQUIVALENTS

The Corporation invests surplus funds to earn investment income with the objective of maintaining safety of principal and providing adequate liquidity to meet cash flow requirements. During the year, the Corporation's exposure to credit risk from investing cash and cash equivalents is minimized through compliance with the Corporation's Board of Directors approved investment policy, which specifies approved investment instruments and portfolio limits. Per the investment policy, the Corporation is permitted to invest cash and cash equivalents in highly liquid demand deposits and temporary investments with a Canadian chartered bank. Investments must maintain credit ratings at, or above, thresholds identified from at least two of the agencies listed below:

- Moody's rating of P1
- Standard and Poor's (S&P) rating of A1
- Dominion Bond Rating Service (DBRS) rating of R1 (low)

## ACCOUNTS RECEIVABLE

The Corporation has credit risk related to accounts receivable which includes Fees for service revenue and other amounts owed to the Corporation. Other amounts include situations where the Corporation may agree to pay DPSA and non-DPSA invoices at the request of Canadian exporters prior to receiving funds from the U.S. Department of Defence or other foreign buyers.

Since the DPSA foreign buyer is rated AAA by recognized rating agencies, the credit exposure is minimized to acceptable levels. For non-DPSA foreign buyers, the Corporation assesses the credit risk to ensure it is also within acceptable levels.

As at March 31, 2024, 89% (March 31, 2023 – 89%) of the Corporation's accounts receivable were from AAA credit rated counterparties.

The Corporation recognized a loss allowance for expected credit loss of nil (2023 – \$16), as well as bad debt expense of \$146 (2023 – nil) related to accounts receivable from foreign buyers and other entities arising from contracts with customers. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The maximum exposure to credit risk for accounts receivable by geographic region was as follows as at March 31:

	2024	2023
Canada	\$ 6,655	\$ 2,949
United States	3,683	8,732
South America	525	276
Asia *	484	–
Central America and Caribbean	135	594
Africa	104	519
	\$ 11,586	\$ 13,070

\* Includes Middle East

Accounts receivable are considered past due when the payer has failed to make the payment by the contractual due date. The ageing profile of the Corporation's past due accounts receivable was as follows as at March 31:

	2024	2023
< 30 days	\$ 1,381	\$ 3,455
> 30 days and < 180 days	1,555	2,245
> 180 days	281	1,738
	\$ 3,217	\$ 7,438

All overdue accounts receivable are considered fully collectable as at March 31, 2024 as it is normal for the Corporation to encounter delays in collecting certain accounts receivable as a result of the foreign environment in which it operates.



## **b) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Corporation is not exposed to significant interest rate risk or other price risk, however, as noted below, does have currency risk exposure.

### **CURRENCY RISK**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is exposed to foreign currency risk on its accounts receivable and accounts payable denominated in foreign currencies due to timing differences between their initial recognition and the actual receipt or payment of cash. To address foreign exchange risks, contracts with foreign buyers and corresponding contracts with Canadian exporters are generally transacted in the same currency. In some cases where payment between parties is made in a different currency, the Corporation may enter into forward contracts. Generally, the Corporation uses these strategies to effectively transfer the currency risk to the Canadian exporter.

### **INTEREST RATE RISK**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to fair-value interest rate risk arises from investing in cash and cash equivalents. The risks associated with fluctuations in interest rates are minimized by investing in highly liquid demand deposits and temporary investments with a reputable chartered bank. The Corporation is not exposed to any significant interest rate risk.

## **c) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is minimized through compliance with the Corporation's investment policy whereby cash and cash equivalents are invested in highly liquid demand deposits and temporary investments with a Canadian financial institution in order to meet financial obligations on a timely basis.

A potential claim for damages for non-performance of outstanding contracts could create liquidity risk for the Corporation. To mitigate this risk, the Corporation has contractual recourse that consists of, in all material respects, back-to-back contractual obligations from Canadian exporters in an amount equal to the value of the contract. In addition, the Corporation receives an indemnity from the exporter against any additional costs incurred by entering into the back-to-back contractual relationship. In order to further mitigate its overall liquidity risk exposure from non-performance on contracts, the Corporation may supplement this recourse by requiring the Canadian exporter to provide commercial securities including holdbacks, bank guarantees, surety bonds, parent guarantees, insurance assignments, property liens, personal guarantees and shareholder cash to be held in trust with the Corporation.

As part of the normal course of business, management assesses the likelihood of any contingent liabilities. Contingent liabilities with respect to certain unresolved contract issues are disclosed in note 20(b).

**Notes to the Financial Statements as at March 31, 2024**  
(in thousands of Canadian dollars, unless otherwise indicated)

Under contract terms, other than DPSA related contracts, payments to Canadian exporters are usually not made in advance of receipt of payment from foreign buyers, and therefore do not expose the Corporation to liquidity risk.

The CCC Act permits the Corporation to borrow from the Consolidated Revenue Fund or enter into other credit arrangements or indemnities from other sources for an amount not to exceed \$90.0 million.

The Corporation has a revolving credit facility providing access to funds in the amount of \$40.0 million (March 31, 2023 – \$40.0 million) Canadian or its U.S. dollar equivalent. The credit facility is used exclusively for the Corporation's working capital requirements to facilitate payments to Canadian exporters under the DPSA business line.

As per contractual terms in the DPSA business line, the Corporation commits to payments to Canadian exporters within thirty days on most contracts. For the International contracts, the Corporation commits to payments within two to five business days from receipt of payments from the foreign buyer. At times, collection of amounts from the foreign buyer on DPSA contracts can take more than thirty days. This can occasionally result in the Corporation using the credit facility in the normal course of operations. Indebtedness under this agreement is unsecured and this credit facility has an expiry date of June 30, 2024 subject to extension by the Minister of Finance or the approval of a corporate plan. As at March 31, 2024, the draw on this line of credit was nil (March 31, 2023 – nil).

## ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are due on normal trade terms. The maturity profile of the Corporation's accounts payable and accrued liabilities was as follows as at March 31:

	2024	2023
< 1 year	\$ 92,269	\$ 26,159
	\$ 92,269	\$ 26,159

## 15. Revenue from contracts with customers

### a) Disaggregation of Fees for service revenue

For the year ended March 31, the sources of the Corporation's Fees for service revenue were as follows:

	2024	2023
International business	\$ 22,419	\$ 23,334
Lottery programs	890	573
	\$ 23,309	\$ 23,907
Government of Canada initiatives	3,819	3,590
	\$ 27,128	\$ 27,497

## b) Unsatisfied (or partially unsatisfied) performance obligations

Unsatisfied, or partially unsatisfied, contractual performance obligations are mostly due to services which are yet to be provided by the Corporation over the remaining duration of the contract. The following table sets out the estimated transaction prices allocated to unsatisfied, or partially unsatisfied contracted performance obligations of the Corporation to be met in the future and the estimated timing of revenue recognition as at March 31, 2024. Actual amounts may differ from these estimates due to a variety of factors, including the unpredictable nature of customer behaviour, industry regulation and the economic and political environments in which the Corporation operates.

	2024
< 1 year	\$ 8,627
> 1 year	28,260
	\$ 36,887

The above amounts do not include the variable consideration portions that cannot be reliably estimated.

## 16. Other income

The Corporation earns other income from various sources which are typically not from international business activities. The table below illustrates the sources of other income for the year ended March 31:

	2024	2023
Discounting income	\$ 72	\$ 113
Miscellaneous income	59	89
	\$ 131	\$ 202

## 17. Government funding

A parliamentary appropriation of \$13.6 million was authorized for the 2023–2024 fiscal year. This funding is provided through Global Affairs Canada (GAC) and is to be used exclusively for the costs of administration of the DPSA. DPSA costs amounted to \$13.8 million for the 2023–2024 fiscal year.

The initial parliamentary appropriation authorized for 2022–2023 fiscal year was \$13.0 million. During the current fiscal year, an additional amount of \$0.4 million related to 2022–2023 was retroactively awarded. This amount was included in the current fiscal year parliamentary appropriation. The funding was provided through GAC and was to be used exclusively for the costs of administration of the DPSA. DPSA costs amounted to \$13.4 million for the 2022–2023 fiscal year.

## 18. Operating and administrative expenses

Operating and administrative expenses for the year ended March 31 are as follows:

	2024	2023
Workforce compensation and related expenses	\$ 19,382	\$ 18,044
Consultants	2,699	3,099
Contract management services	2,638	2,192
Depreciation*	2,276	583
Travel and hospitality	1,704	1,028
Rent and related expenses	1,043	930
Software, hardware and support	809	820
Communications	675	402
Other expenses	735	479
<b>Sub-total excl. gain on lease termination</b>	<b>\$ 31,961</b>	<b>\$ 27,577</b>
Gain on lease termination*	(2,488)	–
<b>Total Operating and administrative expenses</b>	<b>\$ 29,473</b>	<b>\$ 27,577</b>

\*Included in depreciation is accelerated depreciation on right-of-use assets and leasehold improvements resulting from the termination of the lease of \$1,138 (2023 – nil) and \$518 (2023 – nil), respectively.

## 19. Related party transactions

The Corporation is related in terms of common ownership to all Government of Canada departments, agencies and Crown corporations. The Corporation enters into transactions with these entities in the normal course of business, under the same terms and conditions that apply to unrelated parties, and as such the transactions approximate fair value.

The Corporation had the following transactions with related parties in addition to those disclosed elsewhere in the financial statements.

The table below presents related party transactions amounts as at March 31:

	2024	2023
Accounts receivable	\$ 4,622	\$ 830
Accounts payable and accrued liabilities	\$ 1,039	\$ 1,079
Advances from Government of Canada departments and agencies	\$ 91,135	\$ 121,318
Deferred revenue	\$ 2,083	\$ 974

Individually significant transactions and transactions that are collectively significant are listed below:

### a) Public Services and Procurement Canada (PSPC)

PSPC provides contract management and other administrative services to the Corporation at negotiated rates. The cost of these services included in operating and administrative expenses was as follows for the year ended March 31:

	2024	2023
PSPC	\$ 2,638	\$ 2,192
	\$ 2,638	\$ 2,192

### b) Other Government of Canada departments and agencies

Fees for service, arising from the Corporation's facilitation of sales of Canadian goods to foreign buyers and other international activities, include the following transactions with related parties for the year ended March 31:

	2024	2023
Global Affairs Canada	\$ 2,012	\$ 2,010
Department of National Defence	1,748	1,439
Invest in Canada	59	141
	\$ 3,819	\$ 3,590

Advances received from related parties are provided for future projects where the Corporation, acting as agent, will use these funds to compensate suppliers delivering goods or services to other government entities. The Corporation held funds from the following entities as at March 31:

	2024	2023
Department of National Defence	\$ 70,315	\$ 106,547
Global Affairs Canada	20,820	14,771
	\$ 91,135	\$ 121,318

## c) Transactions with Canadian exporters solely or jointly governed by key management personnel

The Corporation may enter into supply contracts with Canadian exporters whose financial and operating policies are solely or jointly governed by key management personnel of the Corporation. The Corporation enters into transactions with these Canadian exporters in the normal course of business, under the same terms and conditions that apply to unrelated parties, and as such the transactions approximate fair value.

There were no transactions outstanding with Canadian exporters solely or jointly governed by key management personnel as of March 31, 2024 or March 31, 2023.

## d) Key management personnel compensation

IFRS requires disclosure of key management personnel compensation in total and by component. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly. The key management personnel of the Corporation are members of the Board of Directors and the Corporate Officers (President and Vice-Presidents).

Components of compensation are defined as short-term benefits, post-employment benefits, other long-term benefits and termination benefits. Short-term benefits include retainers, per diems, salaries, social security contributions, paid annual leave and bonuses (if payable within twelve months of the end of the reporting period). Post-employment benefits include employer contributions relating to pensions, and premiums paid for post-employment life insurance and medical care. Other long-term benefits include sick leave benefits, long-service leave or sabbatical leave, long-term disability benefits and any bonuses or deferred compensation that are not payable within twelve months after the end of the reporting period. No termination benefits were incurred for key management personnel.

Key management personnel remuneration for the year ended March 31 was as follows:

	2024	2023
<b>Board of Directors</b>		
Short-term benefits	\$ 205	\$ 209
	205	209
<b>Corporate Officers</b>		
Short-term benefits	1,609	1,592
Post-employment benefits	363	311
	1,972	1,903
	\$ 2,177	\$ 2,112

## 20. Contingencies

### a) Collateral

The value of outstanding deliverables to be performed by Canadian exporters for which the Corporation, on behalf of the Government of Canada, has guaranteed performance to foreign government buyers as at March 31, 2024 was \$6.9 billion (March 31, 2023 – \$7.2 billion).

To manage performance risk of outstanding deliverables, the Corporation has contractual recourse that consists, in all material respects, of corresponding deliverables from Canadian exporters in the same amount. The collateral pledged by Canadian exporters is to mitigate counterparty risk to the deliverables guaranteed by the Corporation in the event of non-performance claims against the Corporation for reasons related to the Canadian exporter failing to perform per the terms and conditions of contracts. The types of collateral the Corporation may require the Canadian exporter to provide are various commercial securities including holdbacks, bank guarantees, surety bonds, parent guarantees, insurance assignments, property liens, personal guarantees and shareholder cash held in trust with the Corporation.

As at March 31, 2024, commercial securities that have been pledged to the Corporation as collateral by Canadian exporters in the unlikely event of their contractual non-performance are in the form of parent guarantees totalling \$5.9 billion (March 31, 2023 – \$6.4 billion in the form of parent guarantees) which approximate their fair value.

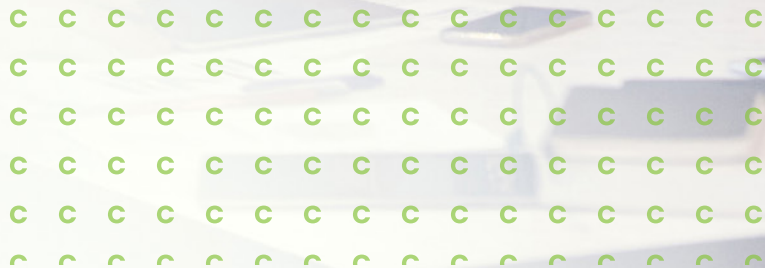
### b) Other contingent liabilities

As part of the normal course of business, management assesses the likelihood of any contingent liabilities. As of March 31, 2024, the Corporation has certain unresolved contract issues that are being actively managed towards resolution. Any financial impact on the Corporation, including the potential for future contract remediation expenses, cannot be reasonably estimated at this time.

# Corporate **governance** and **leadership**

- 103** Corporate governance structure
- 103** Board of Directors
- 108** Management team
- 109** Management committees
- 111** Internal audit
- 112** Glossary

CCC maintains a high standard of corporate governance to ensure the prudent management of the resources entrusted to it by the Government of Canada. As a Crown corporation, CCC is governed by a Board of Directors and is accountable to Parliament through the Minister of Export Promotion, International Trade and Economic Development.





## Corporate governance structure >



## Board of Directors >

The Board is responsible for the stewardship of the Corporation and ensures the delivery of its statutory mandate and public policy objectives on behalf of the Government of Canada. It provides leadership and guidance to the Corporation's management team and ensures that the Corporation's long-term strategic direction is in alignment with the Minister of Export Promotion, International Trade and Economic Development's annual Statement of Priorities and Accountabilities.

- The Board reviews the Corporate Plan and the Annual Report and submits both to the Minister for review. The Corporate Plan is recommended for approval and once approved by the Treasury Board, the summary of the Corporate Plan and budgets are tabled in Parliament.
- The Board meets quarterly to review the Corporation's overall performance, receive committee reports and discuss CCC's results. The Board bi-annually reviews its performance using outside governance expertise and a defined assessment process.

- The Board has incorporated responsible business conduct considerations, including human rights, into its governance and oversight responsibilities at both the committee and Board level.
- The Board has the legal responsibility to act in the best interests of the Corporation and to exercise due care and diligence. The conduct and actions of Board members are also governed by the > [Ethical and Political Activity Guidelines](#) for Public Office Holders. The Board conducts its oversight function through the Operations Committee, the Governance and Human Resources Committee, the Environmental, Social and Governance Committee, and the Audit Committee.

## Board membership

The Board is composed of the Chairperson, the President and Chief Executive Officer (CEO), and up to nine directors. Three members of the Board constitute a quorum.

- The Chair, the directors and the President and CEO are appointed by the Governor in Council.
- Board appointments are renewable and there are no term or age limits.

## CCC's Board of Directors (alphabetical by first name)

As at March 31, 2024



**Douglas J. Harrison**, Chair  
Burlington, Ontario  
February 7, 2018  
Reappointed: February 7, 2022  
Committee(s): Audit (ex officio),  
Operations (ex officio), Governance  
and Human Resources (ex officio)



**Christa Wessel**, Director  
Toronto, Ontario  
July 1, 2019  
Reappointed: July 1, 2020  
Reappointed: July 1, 2023  
Committee(s): Governance and  
Human Resources (Chair), Audit



**Dyanne Carenza**, Director  
Montreal, Quebec  
June 25, 2018  
Reappointed: June 22, 2023  
Committee(s): Operations



**Guy Desrochers**, Director  
Candiac, Quebec  
December 13, 2021  
Committee(s): Audit (Chair)



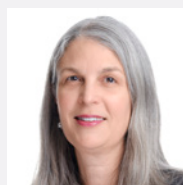
**Julian Ovens**, Director  
Ottawa, Ontario  
December 11, 2020  
Committee(s): Operations



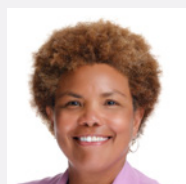
**Mark Dienesch**, Director  
Burlington, Ontario  
March 31, 2023  
Committee(s): Operations  
(Chair, as of Sept. 14, 2023)



**Michael Johnson**, Director  
Whitehorse, Yukon  
July 1, 2019  
Reappointed: July 1, 2023  
Committee(s): Operations,  
Governance and Human Resources



**Mora Johnson**, Director (Note 1)  
Ottawa, Ontario  
July 1, 2019  
Committee(s): Operations,  
Governance and Human Resources



**Mylène Tassy**, Director  
Montreal, Quebec  
March 22, 2023  
Committee(s): Operations



**Nicole Verkindt**, Director (Note 2)  
Toronto, Ontario  
December 17, 2013  
Reappointed: June 25, 2018  
(Term ended: September 13, 2023)  
Committee(s): Operations  
(Chair, until Sept. 13, 2023)



**Bobby Kwon** Director, President and CEO  
Toronto, Ontario  
March 8, 2021  
Committees: Operations (ex officio),  
Governance and Human Resources  
(ex officio)

Board member biographies are available on CCC's website > [ccc.ca/en/about/leadership-and-governance/](https://ccc.ca/en/about/leadership-and-governance/).

### Notes:

1. Although the terms have expired, a director continues to hold office until they are renewed or a successor is appointed. As per section 105 (4) of the FAA, "despite subsection (1), if a director of a parent Crown corporation is not appointed to take office on the expiration of the term of an incumbent director, other than an officer-director, the incumbent director continues in office until his or her successor is appointed."
2. CCC anticipates filling the one vacancy on its Board by the end of the fiscal year.

## Board committees

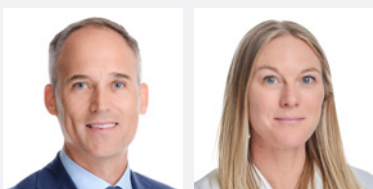
The Board conducts its oversight function through the following committees:

- Operations Committee
- Audit Committee
- Governance and Human Resources Committee

The Board of Directors has sharpened its focus on governance, risk management and strengthening the Corporation's focus on responsible business conduct to assist the Corporation in responding to the evolving risks and opportunities in the global marketplace. In this context, the Board has incorporated human rights into its governance and oversight responsibilities within all committees, as well as the governance oversight provided by the full Board of Directors.

As at March 31, 2024

### Operations Committee >



#### Chair

**Mark Dienesch** (as of Sept. 14, 2024)

**Nicole Verkindt** (until Sept. 13, 2024)

#### Members

Dyanne Carena

Julian Owens

Mora Johnson

Michael Johnson

Mylene Tassy

Douglas Harrison (ex officio)

Bobby Kwon (ex officio)

#### Number of meetings

2023–2024: **6**

#### Committee duties:

- Oversees development of new commercial business initiatives, including new product lines and services
- Reviews all projects in excess of \$100 million, as well as any other projects submitted by management for consideration
- Reviews risk profiles of ongoing projects, including human rights implications
- Makes recommendations to the Board of Directors for project approval
- Note: Significant Project Instruction approval by the Minister of Export Promotion, International Trade and Economic Development with concurrence of the Minister of Finance is required for all infrastructure projects in excess of \$100 million and for all projects of any nature in excess of \$300 million.

## Audit Committee >



### Chair

**Guy Desrochers**

### Members

Christa Wessel  
Douglas Harrison  
(ex officio)

### Number of meetings

2023–2024: **5**

### Committee duties:

- Oversees the Corporation's financial affairs, including the financial management of resources, risk management, accurate reporting, and appropriate audit support
- Evaluates the effectiveness of CCC's enterprise risk management program and recommends identified enhancements to the Board of Directors for approval
- Oversees the annual financial audit conducted by the Office of the Auditor General (OAG)
- Oversees the internal audit function including the annual Internal Audit Plan (CCC's Internal Audit Group reports to the Audit Committee)
- Conducts confidential in camera sessions with the OAG
- Evaluates and addresses audit findings provided by the OAG and Internal Audit
- Reports to and collaborates with full Board of Directors to implement key recommendations from audit findings and special examinations.

## Governance and Human Resources Committee >



### Chair

**Christa Wessel**

### Members

Mora Johnson  
Michael Johnson  
Douglas Harrison  
(ex officio)  
Bobby Kwon  
(ex officio)

### Number of meetings

2023–2024: **5**

### Committee duties:

- Oversees the development and implementation of strategies, practices and procedures related to the effective operation of the Board, corporate communications, corporate performance management, human resources, and responsible business conduct
- Annual education and compliance with:
  - *Ethical Guidelines for Public Office Holders and Guidelines for Political Activities of Public Office Holders*, including signing an annual Conflict of Interest Certificate by each Director
  - CCC's *Code of Conduct and Business Ethics*, including written attestation by employees
- Performs an annual Board self-assessment to identify opportunities to strengthen Board effectiveness and seek further efficiencies
- Reviews and makes recommendations on corporate officer appointments and compensation
- Examines human resource policies to ensure the Corporation has an inclusive culture with an engaged and diverse workforce that promotes and ensures the health and wellness of its employees
- Develops a Board of Directors skills matrix to identify capabilities needed for effective governance and to inform Notice of Opportunity for future Directors.

## Board compensation, committee membership and attendance for fiscal 2023–2024

Directors and the Chairperson are paid annual retainers and per diems set by the Governor in Council and pursuant to the *Financial Administration Act*.

- The annual retainer for all directors is \$4,700. An additional retainer of \$1,500 is provided to directors that chair a committee. The Chairperson receives an annual retainer of \$9,400.

- Per diems are paid at a rate of up to \$375 for all directors, including the Chairperson and committee chairs, for time spent preparing for and attending meetings, as well as events such as conferences, courses and trade shows with durations exceeding two hours. Half per diems were introduced in 2020.
- Board members are also reimbursed for expenses related to travel, accommodation and meals while performing their duties. These expenses are posted monthly on CCC's website.

Board member (alphabetical by last name)	Total compensation (retainer plus per diem payments)	Audit Committee meeting	Operations Committee meeting	Governance and Human Resources Committee meeting	Board of Directors meeting
Douglas J. Harrison (Chair) (Note 3)	\$ 33,213	3	5	5	8
Dyanne Carena	\$ 14,450	n/a	5	n/a	7
Guy Desrochers	\$ 25,888	5	n/a	n/a	8
Mark Dienesch	\$ 15,220	n/a	6	n/a	7
Michael Johnson	\$ 18,950	n/a	6	5	8
Mora Johnson	\$ 10,325	n/a	6	5	8
Julian Ovens	\$ 15,575	n/a	6	n/a	8
Mylène Tassy	\$ 10,766	n/a	5	n/a	8
Nicole Verkindt (Note 1)	\$ 19,170	n/a	1	n/a	3
Christa Wessel	\$ 31,138	4	n/a	4	8
Bobby Kwon (President) (Note 4)	n/a	n/a	3	3	5
<b>Total</b>	<b>\$ 194,695</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>8</b>

Notes:

1. The total represents the number of meetings held in 2023–2024. Attendance may be affected by the date a member joined or left the Board.
2. Includes two full-day strategy sessions.
3. The Chair is a member of all committees. Because several committees run concurrently, decisions regarding which committee meeting to attend in the event of conflict are made based on agendas. Given scheduling, the Chair is not expected to attend all Committee meetings.
4. Except for the Audit Committee, the President is a member of all committees. Because several committees run concurrently, decisions regarding which committee meeting to attend in the event of conflicts are based on agendas. Given scheduling, the President is not expected to attend all committee meetings.

## Management team >

The following individuals hold key senior executive positions within the Corporation.



As at March 31, 2024

Management team biographies are available on CCC's website > [ccc.ca/en/about/leadership-and-governance/](https://ccc.ca/en/about/leadership-and-governance/).

## Management committees

The President and CEO is accountable for directing and managing the Corporation's business and is assisted by the Senior Management Committee (SMC), the Risk and Opportunities Committee (ROC), the Integrity Compliance Committee (ICC), and the Human Rights Committee (HRC).

### Senior Management Committee >

#### Committee duties

The Senior Management Committee is composed of the President and CEO and four vice-presidents. With the approval of the Board of Directors, the committee sets the corporate strategy and related strategic objectives. Bound by CCC's *Code of Conduct and Business Ethics*, the committee adheres to the highest ethical standards of professional conduct. The Committee is chaired by the CEO and meetings are held weekly.

### Risk and Opportunities Committee >

#### Committee duties

The Risk and Opportunities Committee (ROC) was established as an advisory body to the President and CEO to ensure that prudent risk management practices are in place and reflect the Corporation's operational needs. It balances business opportunities against the risks they present and provides a forum for discussion. The ROC reviews issues at the entity-wide, corporate and transactional risk levels, as defined by the Corporation's enterprise risk management framework. The committee is chaired by the Chief Financial Officer, with meetings held weekly.

The committee has the following key roles and responsibilities:

- Ensures the Corporation's enterprise risk management framework remains relevant and reflects leading industry practices;
- Reviews and assesses export transactions at various stages to ensure risk and opportunities are balanced and the Corporation's risk tolerance is respected, including as it pertains to integrity and human rights risks; and
- Reviews all fee-generating export transactions to ensure proposed fees cover expected resource requirements and risks.



## Integrity Compliance Committee (ICC) >

### Committee duties

CCC continues to enhance its approach to responsible business conduct, including the conduct of integrity and compliance due diligence, in its efforts to combat bribery and unethical business practices. The Integrity Compliance Committee's (ICC) work helps ensure that integrity issues are identified at the earliest stage of business activity in potential transactions and develops strategies to mitigate any potential risks. The committee is chaired by the Legal Manager-Compliance, and meets on a bi-weekly basis, or more frequently depending on business circumstances.

Key roles and responsibilities include:

- Ensuring alignment of the Corporation's integrity framework with corporate best practices in the area of anti-bribery and corruption;
- Maintaining the Corporation's integrity compliance due diligence processes against bribery and corruption of foreign public officials; and
- Reviewing the integrity profiles of Canadian exporters and foreign buyers in the context of specific export opportunities and making recommendations to the ROC.

In addition, and in keeping with the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, as adopted by the Government of Canada, the ICC encourages Canadian exporters to develop and adopt policies and processes aimed at preventing and detecting bribery and corruption, and to promote employee awareness of and compliance with policies through training programs.

## Human Rights Committee >

### Committee duties

The Human Rights Committee (HRC) is a cross-functional committee that completes due diligence assessments for human rights risks and reports its findings to the ROC. The members of the HRC are from the risk, business development, legal and contract management teams. The HRC reviews transactions and provides recommendations on projects, acting as an advisory function within the Corporation for these issues. This review involves identifying and assessing transactional risks and proposing measures to mitigate those risks throughout the project lifecycle, in line with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The committee is chaired by the Legal Manager-Compliance, and meets on a bi-weekly basis, or more frequently depending on business circumstances.





## Executive compensation

Executive compensation policies are approved by the Board and are set as follows:

- Senior executives, with the exception of the President, are aligned with market comparators for the private and public sectors. They are paid within the range of \$186,800 to \$241,900.
- The President and CEO's compensation is in the range of \$265,500 to \$312,500. It is governed by the Performance Management Program for Order in Council appointees and is approved by the Governor in Council on the recommendation of the Board.

## Internal audit >

Internal audit ensures risk management practices are in place and functioning as intended and provides objective assurance on the internal controls set by Senior Management and the Board of Directors to achieve corporate objectives. CCC has fully outsourced its internal audit function to benefit from independent external expertise, receive insights, recommendations, and to obtain a risk-based audit plan that is approved by CCC's Audit Committee.



# Glossary >

<b>ABP:</b>	Armoured Brigades Program	<b>ICC:</b>	Integrity Compliance Committee
<b>ASEAN:</b>	Association of Southeast Asian Nations	<b>IFRS:</b>	International Financial Reporting Standards
<b>BETR:</b>	Business, Economic and Trade Recovery team	<b>IPC:</b>	International Prime Contracting
<b>CCC:</b>	Canadian Commercial Corporation	<b>ISED:</b>	Innovation, Science, and Economic Development Canada
<b>CEAA:</b>	Canadian Environmental Assessment Act	<b>NATO:</b>	North Atlantic Treaty Organization
<b>CTT:</b>	Commercial trading transaction	<b>NRC:</b>	National Research Council of Canada
<b>DEI:</b>	Diversity, equity and inclusion	<b>OAG:</b>	Office of the Auditor General
<b>DBRS:</b>	Dominion Bond Rating Service	<b>OECD:</b>	Organization for Economic Co-operation and Development
<b>DND:</b>	Department of National Defence	<b>PSPC:</b>	Public Services and Procurement Canada
<b>DoD:</b>	United States Department of Defense	<b>RBC:</b>	Responsible business conduct
<b>DPSA:</b>	Defence Production Sharing Agreement	<b>ROC:</b>	Risks and Opportunities Committee
<b>EDC:</b>	Export Development Canada	<b>S&amp;P:</b>	Standard and Poor's
<b>FAA:</b>	Financial Administration Act	<b>SAA:</b>	Supply Arrangement Agreement
<b>GAAP:</b>	Generally Accepted Accounting Principles	<b>SMC:</b>	Senior Management Committee
<b>GAC:</b>	Global Affairs Canada	<b>SME:</b>	Small and medium-sized enterprise
<b>GBOF:</b>	Global Bid Opportunity Finder	<b>SPA:</b>	Statement of Priorities and Accountabilities
<b>HRC:</b>	Human Rights Committee	<b>TCFD:</b>	Task Force on Climate-Related Financial Disclosures
<b>IASB:</b>	International Accounting Standards Board	<b>VCS:</b>	Value of contracts signed



**For more information**

Canadian Commercial Corporation  
350 Albert Street  
Ottawa, Ontario K1A 0S6

T: 613-996-0034 | F: 613-995-2121  
Toll-free in Canada: 1-800-748-8191  
Website > [ccc.ca](http://ccc.ca)

Sign up to access the  
Global Bid Opportunity Finder > [gbof.ca](http://gbof.ca)

**Questions about our services**

Marketing department  
Email > [info@ccc.ca](mailto:info@ccc.ca)

Media inquiries  
Email > [communications@ccc.ca](mailto:communications@ccc.ca)

