



**Ontario Capital Growth Corporation**  
**2020-21 Annual Report**

**July 2021**

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## ABOUT THE ONTARIO CAPITAL GROWTH CORPORATION

Ontario Capital Growth Corporation (OCGC), the venture capital agency of the Government of Ontario (the Province), was created to promote and develop the venture capital sector in Ontario, so that more innovative, high-potential companies have access to the capital needed to grow and prosper.

OCGC was established as an agency of the Crown on February 1, 2009 by the *Ontario Capital Growth Corporation Act, 2008* (the Act). In accordance with the Act, OCGC:

- Makes investments in venture capital funds and technology companies;
- Provides advice to the Province on venture capital matters; and
- Supports the development of Ontario's venture capital ecosystem and the implementation of the Province's venture capital policies.

## MESSAGE FROM THE BOARD AND PRESIDENT & CEO

We are pleased to present the 2020-21 Annual Report of the Ontario Capital Growth Corporation (OCGC). This report highlights OCGC's activities during the past fiscal year, which ended on March 31, 2021.

OCGC is committed to developing a long term, sustainable venture capital industry in Ontario, which will help strengthen Ontario's economy and create job opportunities in key economic sectors of the province. OCGC provides access to capital that enables innovative Ontario-based companies to realize their full economic potential.

Access to capital continues to play a critical role in accelerating the growth of innovative startups and entrepreneurial firms into medium and large companies that can compete in global markets. With its diversified portfolio of investments, OCGC continues to provide a market-based approach to help develop high potential companies and to better capture the associated economic benefits over the long term.

To date, OCGC has invested in the following externally-managed funds: Ontario Venture Capital Fund LP (OVCF), Northleaf Venture Catalyst Fund LP (NVCF), ScaleUp Venture Fund I LP (SUVF), Yaletown Innovation Growth LP (Yaletown), Lumira Ventures III (Lumira), Genesys Ventures III (Genesys) and Amplitude Ventures Fund I (Amplitude) . OCGC has also made direct investments through the Ontario Emerging Technologies Fund (OETF) alongside qualified co-investors into 27 Ontario-based emerging technology companies.

In total, OCGC has committed approximately \$340 million to Ontario-based/Ontario-focused fund managers and start-up companies. OCGC's venture capital initiatives, together with third-party capital they have attracted, have collectively provided over \$4 billion to venture capital fund managers and companies in Canada.

Through OCGC's venture capital initiatives, Ontario portfolio companies currently employ over 9,800 people and have also cumulatively recorded approximately \$10 billion in revenues and \$2.4 billion in R&D expenditures<sup>1</sup>, up from \$8.08 billion and \$2.07 billion respectively in the previous fiscal year.

In 2021-22, OCGC will manage its investment portfolio and general business operations in a prudent and cost-effective manner. We will also continue to support the development of Ontario's venture capital ecosystem and provide advice and support to the Minister of Economic Development, Job Creation and Trade on the Province's venture capital policies.

Leslie Lewis and Richard Robarts were recently appointed to OCGC's Board of Directors (Board). We are pleased to welcome them and the experience that they bring to the organization as we continue to deliver on our mandate. OCGC would also like to acknowledge OCGC's outgoing Chair, Annie Ropar, whose tenure is ending in April 2021. We are indebted to her vision and commitment in contributing to OCGC's success. Her leadership to the Board of Directors was invaluable.

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<sup>1</sup> Revenues and R&D expenditures have been aggregated across OCGC's portfolio since inception. As individual fund managers may co-invest in syndicate, the aggregated figures may overstate these metrics due to potential double counting.

Finally, we would like to thank the dedicated OCGC staff for their ongoing effort and commitment to OCGC's continued success. We look forward to continuing to work together in the new fiscal year to deliver OCGC's mandate.

Original Executed by: "Gadi Mayman"

Original Executed by: "Steve Romanyshyn"

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**Gadi Mayman**  
Vice-Chair

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**Steve Romanyshyn**  
President & CEO

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Ontario Venture Capital Market in 2020<sup>2</sup>

In 2020, Ontario venture investing slowed with \$2.6 billion disbursed, compared to 2019 which saw a record \$2.8 billion in venture investing. The drop of approximately 7% in value in 2020 represents only the second annual venture total that did not experience year-over-year gains since the financial crisis of 2008-09. Despite the drop, 2020 venture investment in Ontario hit the second highest annual total in the post dot-com era and, according to Refinitiv, ranks Ontario 10<sup>th</sup> in deal values and 4<sup>th</sup> in deal volume amongst North American jurisdictions.

With the pandemic fostering uncertainty throughout 2020, a 7% drop in total invested capital is not unreasonable and can be the result of numerous factors. This may include (1) fund managers reconsidering the risk profile of potential investment opportunities; (2) a natural levelling of venture investment in the province; or (3) 2019 may represent an unprecedented year of opportunities. While the full extent of the ongoing pandemic on the venture capital markets cannot be predicted or quantified, strong annual investment totals indicate it may represent an opportunity to spur innovation in verticals such as supply chain logistics, e-commerce, fintech, and online learning.

ICT investment remains the dominant sector in Ontario, receiving approximately \$2 billion, or 77%, of the provincial investment total. Life sciences investment was consistent with last year, receiving \$253 million, or 10%, of total invested capital. Cleantech investment experienced a sharp decline, receiving \$23.7 million, or about 1%, of total invested capital (compared to \$65 million in 2019).

Ontario's sectoral splits, while weighted heavily towards ICT, are similar in disbursement patterns to those of leading US jurisdictions (i.e., New York, Texas, Washington). While Ontario significantly edges out both Texas and Washington for total deals, it materially lags these jurisdictions in deal values, averaging between one-third and one-half the capital per deal over the past decade. This highlights a distinct gap in investment approach and significant challenge to both Ontario venture capitalists competing for top deals and local companies seeking growth capital and opportunity to compete globally.

A recently published article<sup>3</sup> highlights a number of encouraging trends, milestones and an overall narrative of Canada poised to assume a status of leadership within the global venture capital marketplace. Traditionally, Canada's venture market is seen as being underdeveloped when compared to Silicon Valley or other top US jurisdictions, particularly when viewed simply through the lens of annual invested capital. However, key statistics presented such as the magnitude of increase in technology careers (80,000 tech jobs created in the Toronto-Waterloo Corridor between 2013-2019) or the number of recent Canadian unicorns (i.e. Shopify, Wealthsimple, Sonder). These statistics demonstrate that opportunities presented by Ontario's innovation ecosystem are being recognized.

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<sup>2</sup> All statistics, figures and data refer to calendar year and are sourced from Refinitiv unless otherwise noted.

<sup>3</sup> <https://www.theglobeandmail.com/business/commentary/article-is-canada-in-line-to-be-the-next-silicon-valley/>

## **OCGC Key Initiatives and Results in Fiscal 2020-21**

OCGC is pleased to highlight its key initiatives and results achieved during fiscal 2020-21 that fulfilled the agency's mandate and government priorities, including:

- Managing the Ontario Emerging Technologies Fund (OETF) investment portfolio;
- Administering its limited partnership interests in externally managed funds; and
- Supporting the development of Ontario's venture capital ecosystem and the implementation of the Province's venture capital policies.

In addition to the above, OCGC is also reporting on its results in meeting the additional priorities for fiscal 2020-21 set out in the annual agency mandate letter dated December 13, 2019, which included:

- Completing the approved investments under the life sciences venture capital fund initiative; and
- Continuing to pause on the investment framework until further notice:
  - On December 30, 2020, OCGC received direction to "*resume evaluating and selecting venture capital investments under the Venture Ontario Fund using the revised OCGC investment framework (...)*"

## **Overall Performance in Fiscal 2020-21**

OCGC is expected to experience both investment gains and losses, which is typical for venture capital investment funds. On an aggregated basis, the interim performance of OCGC's venture capital investments has a valuation of 1.34x as of December 31, 2020 based on multiple of capital<sup>4</sup>, up from 1.24x as of March 31, 2020.

Given the COVID-19 pandemic, the externally managed funds reported no permanent impact to portfolio valuation. OCGC expects that its investments will continue building value going forward. OCGC will continue to monitor market risks and further impact of the pandemic on its investments and adjust its investment strategies accordingly to help ensure the domestic resiliency of high potential, Ontario-based companies.

With a business continuity plan in place, including potential business interruption risks brought on by the pandemic, OCGC will adapt as circumstances evolve and is confident in its ability to carry on with general operations while minimizing disruptions.

As of March 31, 2021, approximately 88% of OCGC's committed capital has been deployed.

Targets for fiscal 2020-21 were previously set in OCGC's annual business plan and no corrective action was required, as results were achieved as follows:

1. Manage OCGC's investment portfolio and business operations in a prudent and cost-effective manner:
  - Results achieved:
    - Operating expenses were 0.82% of invested capital.

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<sup>4</sup> Multiple of capital as calculated is net of underlying fund manager fees, expenses and carried interest, but before OCGC's operating costs.

- Annual business plan and annual report submitted to the Minister by the required deadlines.
  - Key performance indicators and portfolio developments received and reviewed on a quarterly basis.
  - 100% of capital calls met by the specified deadline.
  - No employee turnover to date.
2. Support the development of Ontario's venture capital ecosystem and the implementation of the Province's venture capital policies
- Results achieved:
    - Over 20 meetings held with fund managers seeking an investment commitment.
    - Achieved a net multiple of capital of 1.34x as at December 31, 2020.
3. Undertake specific priorities for fiscal 2020-21 outlined in the agency mandate letter
- Results achieved:
    - OCGC entered into a limited partnership agreement with the third and final fund manager under the Life Science Venture Capital Fund initiative

In total, OCGC has committed approximately \$340 million to Ontario-based/Ontario-focused fund managers and start-up companies. Consistent with the objectives of OCGC, these funds acted as a catalyst and/or provided leverage for additional third-party investments by making over \$4 billion available to venture capital fund managers and companies in Canada. Through OCGC's venture capital initiatives, Ontario portfolio companies currently employ over 9,800 people and have also cumulatively recorded approximately \$10 billion in revenues and \$2.4 billion in R&D expenditures<sup>5</sup>

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<sup>5</sup> Revenues and R&D expenditures have been aggregated across OCGC's portfolio since inception. As individual fund managers may co-invest in syndicate, the aggregated figures may overstate these metrics due to potential double counting.



## **Results Achieved**<sup>6,7</sup>

### **Key Initiatives**<sup>8</sup>

#### **Ontario Emerging Technologies Fund**

Ontario Emerging Technologies Fund (OETF) is fully committed, investing approximately \$105 million to 27 Ontario-based portfolio companies. OETF had no new investment activity in fiscal 2020-21, with the remaining OETF investment portfolio continuing to be managed by OCGC until all investments have been fully realized.

Through its role as a market catalyst, a key measure of OETF's success is in leveraging third party capital through its co-investments. Capital committed by OETF and the capital it has leveraged from third parties, has collectively provided over \$450 million to Ontario companies.

OETF's portfolio of companies has been well represented and dispersed throughout the major urban centers of southern Ontario. OETF portfolio companies have cumulatively recorded to date approximately \$1 billion in revenues, \$445 million in R&D expenditures and support over 600 full-time careers.

#### **Ontario Venture Capital Fund LP**

Ontario Venture Capital Fund (OVCF) is a \$205 million fund-of-funds, in which OCGC invested \$90 million. OVCF was focused on investing into Ontario-based venture capital funds and is fully committed, with no new investments made in fiscal 2020-21.

OVCF has made 9 commitments to Ontario-based and Ontario-focused venture capital managers, totalling approximately \$170 million, as well as 7 direct co-investments in leading Ontario-based technology companies, including Achievers and Shopify, totalling approximately \$25 million.

In fiscal 2020-21, OCGC continued to oversee its limited partnership interest in the fund, including responding to capital calls issued by the fund manager in a timely manner.

Capital committed by OVCF and the capital it has leveraged from third parties has collectively provided over \$1 billion for Ontario-based/focused funds and companies. OVCF Ontario-based portfolio companies have cumulatively recorded approximately \$4.75 billion in revenues, \$931 million in R&D expenditures and employ over 2,500 people.

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<sup>6</sup> Revenues and R&D expenditures have been aggregated across OCGC's portfolio since inception and reported to OCGC as of calendar year-end. As individual fund managers may co-invest in syndicate, the aggregated figures may overstate these metrics due to potential double counting.

<sup>7</sup> As OCGC's underlying portfolio exits investments or invests in new opportunities, annual impact drivers, such as employment or revenue generation, will increase or decrease accordingly. Therefore, an increase or decrease from a prior year cannot solely be attributed to investment performance.

<sup>8</sup> For each fund, values related to revenues, R&D expenditures and employment are as of December 31, 2020.

## **Northleaf Venture Catalyst Fund LP**

The Northleaf Venture Catalyst Fund LP (NVCF) is a \$300 million fund-of-funds, in which OCGC invested \$50 million. NVCF was focused on investing into Canadian venture capital funds and completed its active investment period in fiscal 2020-21. Reserves are being held for additional follow-on financing to direct co-investments as warranted.

NVCF has made 15 fund commitments including multiple Ontario-based and Ontario-focused fund managers, totalling approximately \$240 million, as well as 12 direct co-investments totalling over \$59 million, in leading Canada-based technology companies such as ecobee, Wattpad and Freshbooks.

In fiscal 2020-21, OCGC continued to oversee its limited partnership interest in the fund, including responding to capital calls issued by the fund manager in a timely manner.

Capital committed by NVCF and the capital it has leveraged from third parties, has collectively provided over \$2 billion for funds and companies with a Canadian presence. NVCF's Canada-based portfolio companies have recorded over \$5.5 billion in revenues (\$3.8 billion in Ontario), \$1.4 billion in R&D expenditures (\$840 million in Ontario) and employ over 8,000 people (5,400 people in Ontario).

## **ScaleUp Venture Fund I LP**

The ScaleUp Venture Fund I LP (SUVF) is a \$106 million fund, in which OCGC has made an investment commitment of \$25 million. SUVF aims to provide high potential companies with a unique combination of capital and mentorship to increase the pipeline of firms that can grow into the next generation of global companies.

Capital committed by SUVF and the capital it has leveraged from third parties, has collectively provided approximately \$175 million to Ontario companies. SUVF's Ontario-based portfolio companies have recorded approximately \$213.5 million in revenues, \$68.1 million in R&D expenditures and employ over 600 people.

SUVF made no new investments in fiscal 2020-21. SUVF is fully committed, with reserves held for follow-on financing.

SUVF has committed a total of approximately \$77.5 million to 28 investments. This includes 16 Ontario-based early-stage technology companies, totaling approximately \$38 million.

## **Yaletown Innovation Growth LP**

Yaletown Innovation Growth LP (Yaletown) is a \$128 million fund, in which OCGC has made an investment commitment of \$20 million. Yaletown is focused on assisting Canadian technology companies to scale and become market leaders. Investments target emerging growth companies across Canada focused on enhancing sustainability and productivity in the cleantech, intelligent industry and intelligent enterprise sectors.

Capital committed by Yaletown and the capital it has leveraged from third parties, has collectively provided approximately \$64 million to Ontario companies. Yaletown's Ontario-based portfolio companies have recorded approximately \$29 million in revenues, \$32 million in R&D expenditures and employ over 160 people.

In fiscal 2020-21, Yaletown made 2 new investment commitments including 1 Ontario-based company. Yaletown has made 12 investment commitments totaling \$62 million, including 3 Ontario-based companies totaling approximately \$19 million.

### **Lumira Ventures III LP**

Lumira Ventures III LP (Lumira) is a \$179 million fund, in which OCGC made an investment commitment of \$23 million. Lumira Ventures focuses on transformative biopharmaceutical, medical device and digital health companies located in Ontario, Canada and North America. The company is an engaged partner that supports the management teams of companies that it invests in to build products that have the potential to allow people to lead fundamentally healthier, longer and more productive lives.

Capital committed by Lumira and the capital it has leveraged from third parties, has collectively provided approximately \$300 million to Ontario companies. Lumira's Ontario-based portfolio companies have recorded approximately \$175 million in revenues, \$23 million in R&D expenditures and employ 157 people.

In fiscal 2020-21, the fund made 7 new investment commitments including 1 Ontario-based company. The fund has invested a total of approximately \$88.5 million to 18 investments. This includes 5 Ontario-based companies, totaling approximately \$17.7 million.

### **Genesys Ventures III LP**

Genesys Ventures III LP (Genesys) is a \$107 million fund, in which OCGC made an investment commitment of \$17 million. Genesys Capital is focused on building companies in the high-growth sectors of healthcare and biotechnology. Through its expertise and network, Genesys accelerates the development of commercially viable emerging companies that represent promising life science investment opportunities.

Capital committed by Genesys and the capital it has leveraged from third parties, has collectively provided approximately \$280 million to Ontario companies. Genesys' Ontario-based portfolio companies have recorded approximately \$31.8 million in revenues, \$107 million in R&D expenditures and employ 216 people.

In fiscal 2020-21, Genesys made 1 new investment commitment. The fund has committed a total of approximately \$43.8 million to 10 investments. This includes 7 Ontario-based companies, totaling approximately \$33.1 million.

## **Amplitude Ventures Fund I LP**

Amplitude Ventures Fund I LP (Amplitude), in which OCGC has made an investment commitment of \$10 million, is fundraising for a \$200M fund. Amplitude Venture Capital deploys a growth model that has successfully been used to build Canadian companies with leading management teams and scale companies to breakout potential. Amplitude's focus is on precision medicine where world-class Canadian innovators are driving the future of healthcare. Amplitude is investing in early-stage and emerging Canadian companies and will also create new companies in collaboration with leading academic institutions.

Capital committed by Amplitude and the capital it has leveraged from third parties, has collectively provided approximately \$58 million to Ontario companies. Amplitude's Ontario-based portfolio companies have recorded approximately \$6.3 million in revenues, \$7.3 million in R&D expenditures and employ 60 people.

In fiscal 2020-21, Amplitude made 3 new investment commitments including 1 Ontario-based company. The fund has committed a total of approximately \$26.7 million to 5 investments. This includes 2 Ontario-based companies, totaling approximately \$11.9 million.

## **Development of Ontario's Venture Capital Ecosystem**

Owing to the pandemic, meetings, conferences and events continued to be held in virtual environments. In fiscal 2020-21, OCGC supported the development of Ontario's venture capital ecosystem by:

- Proactively meeting with venture capital funds seeking an investment commitment, investors, technology industry thought leaders and subject matter experts to gather critical market intelligence that will help shape appropriate venture capital public policies in the coming years; and
- Continuing to provide advice to the Ministry and the Province on venture capital matters as required.

OCGC also took an active role in industry events, such as speaking at the Canadian Innovation Exchange (CIX), Collision 2020, Web Summit 2020 and the Mobility Lab Forum.

Other events attended this fiscal year include:

- CVCA Conference
- Atlantic Venture Forum
- Life Sciences Ontario Virtual "Road trip around the Province"
- Bloom Burton & Co. Health Care Investor Conference
- Kensington Investor Conference
- Toronto Global Forum – The International Economic Forum of the Americas
- Montreal Conference – The International Economic Forum of the Americas
- CAiP Private Capital Virtual Forum – Investment Strategies for Canadian Pensions
- Canadian Fintech Summit
- TechExit.io Conference

Such events are essential to building and maintaining strong relationships with other investors that interact with companies at various stages of their lifecycle. The stronger these relationships are, the more effectively OCGC can access market intelligence with respect to funds that are currently or expected to fundraise, as well as insight to help identify potential stage or sector gaps faced by Ontario-based small and medium enterprises. With experience in both direct investments into companies and investments into venture capital funds, OCGC shares its feedback, perspectives and observations through proactive outreach to venture capital fund managers, as well as new and established Ontario-based companies. This outreach includes “Ask the Investor” sessions at industry conferences and responding to direct inquiries to OCGC or via the Ministry. By providing feedback in areas such as fundraising, investment thesis, and other relevant matters, OCGC can help fund managers to further define and advance their value proposition.

## **Additional Priorities Set Out in Agency Mandate Letter**

In addition to managing OCGC’s investment portfolio and supporting the development of Ontario’s venture capital ecosystem, the Minister provided the agency with an annual mandate letter that outlined specific priorities to be accomplished in fiscal 2020-21. Below is a review of each additional priority and results achieved in fiscal 2020-21.

1. Complete the approved investments under the life sciences venture capital fund initiative:
  - Results achieved:
    - OCGC successfully negotiated and entered into a limited partnership agreement with the third remaining identified fund manager.
2. Continue to pause on the investment framework until further notice:
  - Results achieved:
    - While the Ministry’s direction to pause all investments was followed, OCGC continued to proactively engage with fund managers that are actively fundraising in order to stay current on potential investment opportunities. Subsequently, OCGC received formal direction on December 30, 2020 to “*resume evaluating and selecting venture capital investments under the Venture Ontario Fund using the revised OCGC investment framework (...)*”.

June 24, 2021

## **Management's Responsibility for Financial Reporting**

The accompanying financial statements of the Ontario Capital Growth Corporation (OCGC) have been prepared in accordance with Canadian public sector accounting standards and are the responsibility of Management. The preparation of financial statements necessarily involves the use of estimates based on Management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. The financial statements have been properly prepared within reasonable limits of materiality and in light of information available up to March 31, 2021.

Management maintains a system of internal controls designed to provide a reasonable assurance that the assets are safeguarded and that reliable financial information is available on a timely basis. The system includes formal policies and procedures and an organizational structure that provide for appropriate delegation of authority and segregation of responsibilities. The Ontario Internal Audit Division of the Ministry of Finance has the ability to independently evaluate the effectiveness of these internal controls on an ongoing basis and, as applicable, report its findings to Management and the Audit and Risk Committee of the Board of Directors.

The Board of Directors is responsible for ensuring that Management fulfills its responsibilities for financial reporting and internal controls. The Audit and Risk Committee assists the Board of Directors in carrying out these responsibilities. It meets periodically with Management, internal auditors and the external auditor, as applicable, to deal with issues raised by them and to review the financial statements before recommending approval by the Board of Directors.

The financial statements have been audited by an independent auditor, Deloitte LLP. The auditor's responsibility is to express an opinion on whether OCGC's financial statements fairly represent OCGC's financial position in accordance with Canadian public sector accounting standards. The auditor's report, which appears on the following page, outlines the scope of the auditor's examination and its opinion.

On behalf of Management:

Original Executed by: "Steve Romanyshyn"

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Steve Romanyshyn, President & CEO

## Independent Auditor's Report

To the Board of Directors of  
Ontario Capital Growth Corporation

### Opinion

We have audited the financial statements of the Ontario Capital Growth Corporation, which comprise the statement of financial position as at March 31, 2021, and the statements of operations and changes in accumulated operating surplus, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ontario Capital Growth Corporation as at March 31, 2021, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 Ontario Capital Growth 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, other than the financial statements and our auditor's report thereon, in the Annual Report.

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 identified above 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.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. 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 Canadian Public Sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Ontario Capital Growth 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 Ontario Capital Growth Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Ontario Capital Growth 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 GAAS 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 GAAS, 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 Ontario Capital Growth 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 Ontario Capital Growth 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 Ontario Capital Growth 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.

**Original Signed by Deloitte**

Chartered Professional Accountants  
Licensed Public Accountants  
June 24, 2021

**Ontario Capital Growth Corporation**  
Statement of Financial Position  
As at March 31, 2021  
(Amounts in Canadian dollars)

	Notes	2021 \$	2020 \$
<b>Financial assets</b>			
Cash and cash equivalents		22,917,531	18,415,576
Marketable securities	5	207,215,299	204,560,761
Accounts receivable	4	4,626	25,601,043
Ontario Venture Capital Fund LP – OVCF	6	79,494,289	76,693,451
Ontario Emerging Technologies Fund – OETF	7 and 14	19,326,839	17,930,684
Northleaf Venture Catalyst Fund LP – NVCF	8	50,000,000	50,000,000
ScaleUP Venture Fund I LP – SUVF	9	20,239,443	17,739,443
Yaletown Innovation Growth LP – Yaletown	10	11,000,000	8,200,000
Lumira Ventures III LP – Lumira	11	14,383,489	7,775,982
Genesys Ventures III LP – Genesys	12	9,259,355	7,352,914
Amplitude Venture I L.P. – Amplitude	13	1,715,680	—
		<b>435,556,551</b>	<b>434,269,854</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	18	482,819	425,918
Net financial assets		435,073,732	433,843,936
Non financial assets	24	—	—
<b>Accumulated surplus</b>		<b>435,073,732</b>	<b>433,843,936</b>
Contractual commitments	14		
<b>Accumulated surplus is comprised of</b>			
Accumulated operating surplus		434,535,858	433,389,779
Accumulated remeasurement gains		537,874	454,157
		<b>435,073,732</b>	<b>433,843,936</b>

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

Approved by the Board

Original Executed by: “Gadi Mayman”  
\_\_\_\_\_, Director

Original Executed by: “Tim Jackson”  
\_\_\_\_\_, Director

**Ontario Capital Growth Corporation**  
Statement of Operations and Changes in Accumulated Operating Surplus  
Year ended March 31, 2021  
(Amounts in Canadian dollars)

	Notes	Budget \$	2021 Actual \$	2020 Actual \$
<b>Revenue</b>				
Funding and transfer payments from the Province of Ontario				
OCGC Operating	23	2,000,000	1,440,000	1,640,000
Venture Ontario Fund – VOF	21	—	—	25,000,000
Interest income		970,000	947,611	3,982,476
Investment loss on OETF portfolio investments	16	16,000	15,880	(44,236)
Investment income on distribution from				
OVCF		—	—	132
Yaletown		—	—	6,631
Lumira		—	67,466	—
Amplitude		—	3,086	—
Realized capital gain (loss) on OETF investments		249,000	67,851	(80,171)
Capital gain on distribution from				
OVCF		—	432,480	16,598,326
Lumira		1,527,000	1,954,893	—
Expression of Interest expense recovery from funds				
Prior period		93,000	93,323	133,977
Current period		—	—	74,207
Foreign exchange gain (loss)	3	(735,000)	(2,195,311)	1,097,505
		<b>4,120,000</b>	<b>2,827,279</b>	<b>48,408,847</b>
<b>Expenses</b>				
Reimbursements to the Ministry	18	921,000	1,089,067	1,059,466
Cash management fees	14	41,000	34,263	33,902
Professional services fees	14	690,000	246,782	376,047
Board and committee member expenses		6,000	4,088	3,783
Impairment of OETF portfolio investments	17	—	307,000	9,332,130
		<b>1,658,000</b>	<b>1,681,200</b>	<b>10,805,328</b>
Annual surplus		<b>2,462,000</b>	<b>1,146,079</b>	37,603,519
Accumulated operating surplus, beginning of year		<b>433,389,779</b>	<b>433,389,779</b>	395,786,260
<b>Accumulated operating surplus, end of year</b>		<b>435,851,779</b>	<b>434,535,858</b>	433,389,779

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

**Ontario Capital Growth Corporation**  
Statement of Remeasurement Gains and Losses  
Year ended March 31, 2021  
(Amounts in Canadian dollars)

	Budget \$	2021 Actual \$	2020 Actual \$
<b>Accumulated remeasurement gains, beginning of year</b>	<b>454,157</b>	<b>454,157</b>	1,053,637
Unrealized gains (losses) attributable to			
Foreign exchange	46,000	(285,571)	(29,254)
Marketable securities	—	20,284	(21,212)
OETF portfolio investments	—	349,004	(549,014)
	<b>46,000</b>	<b>83,717</b>	(599,480)
<b>Accumulated remeasurement gains, end of year</b>	<b>500,157</b>	<b>537,874</b>	454,157

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

**Ontario Capital Growth Corporation**  
Statement of Change in Net Financial Assets  
Year ended March 31, 2021  
(Amounts in Canadian dollars)

	<b>Budget</b>	<b>2021</b>	2020
	\$	Actual	Actual
	\$	\$	\$
<b>Annual surplus</b>	<b>2,462,000</b>	<b>1,146,079</b>	37,603,519
Net remeasurement gains (losses)	<b>46,000</b>	<b>83,717</b>	(599,480)
Increase in net financial assets	<b>2,508,000</b>	<b>1,229,796</b>	37,004,039
Net financial assets, beginning of year	<b>433,843,936</b>	<b>433,843,936</b>	396,839,897
<b>Net financial assets, end of year</b>	<b>436,351,936</b>	<b>435,073,732</b>	433,843,936

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

**Ontario Capital Growth Corporation**  
**Statement of Cash Flows**  
**Year ended March 31, 2021**  
**(Amounts in Canadian dollars)**

	2021 \$	2020 \$
<b>Operating transactions</b>		
Annual surplus	1,146,079	37,603,519
Realized (losses) gains on sale of OETF investments	(67,851)	80,171
Realized gains on sale of		
OVCF investments	(432,480)	(16,598,326)
Lumira investments	(1,954,893)	—
Impairment of OETF portfolio investment	307,000	9,332,130
Changes in non-cash operating balances		
Decrease in accounts receivable	25,596,417	6,367,587
Increase in accounts payable and accrued liabilities	56,901	132,787
	<b>24,651,173</b>	<b>36,917,868</b>
<b>Investing transactions</b>		
Proceeds from disposal and redemptions of marketable securities	449,316,047	672,888,770
Purchase of marketable securities	(451,950,301)	(700,016,366)
Purchase of investments in OVCF	(2,880,000)	(2,970,000)
Proceeds from investments in OVCF	432,480	16,598,326
Return of capital from OVCF	79,162	5,701,838
Purchase of investments in SUVF	(2,500,000)	(4,239,443)
Purchase of investments in Yaletown	(2,800,000)	(4,400,000)
Purchase of investments in Lumira	(7,800,700)	(7,775,982)
Proceeds from investments in Lumira	1,954,893	—
Return of capital from Lumira	1,193,193	—
Purchase of investments in Genesys	(1,906,441)	(7,352,914)
Purchase of investments in Amplitude	(1,941,130)	—
Return of capital from Amplitude	225,451	—
Sale of investments in OETF	1,468,194	42,080
Purchase of investments in OETF	(3,040,065)	(143,355)
	<b>(20,149,218)</b>	<b>(31,667,046)</b>
Increase in cash and cash equivalents during the year	4,501,955	5,250,822
Cash and cash equivalents, beginning of year	18,415,576	13,164,754
<b>Cash and cash equivalents, end of year</b>	<b>22,917,531</b>	<b>18,415,576</b>

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

# Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2021

(Amounts in Canadian dollars)

## 1 Description of business

The Ontario Capital Growth Corporation (OCGC or the Corporation) is a corporation without share capital, established under the Ontario Capital Growth Corporation Act, 2008 (the Act), which was proclaimed in force as at February 1, 2009 as an agency of the Ministry of Research and Innovation (MRI). In July 2018, the responsible Ministry was reorganized as the Ministry of Economic Development, Job Creation and Trade (collectively, the Ministry). As at March 31, 2021, OCGC is responsible to the Minister of Economic Development, Job Creation and Trade (the Minister).

The legislative authority of the Corporation is set out in the Act. Under Section 4 of the Act, the objects of the Corporation are:

- (a) to receive, hold, administer and otherwise deal with the interest of the Government of Ontario in the limited partnership known as the Ontario Venture Capital Fund LP;
- (b) to receive, hold and deal with property, whether real or personal, in connection with the objects described above; and
- (c) to carry out the other objects or investments or classes of investments that are prescribed by regulations.

Ontario Regulation 278/09 made under the Act prescribe additional objects of the Corporation. The following are prescribed as classes of investments for the purposes of Section 4 of the Act:

- (i) Investments in venture capital funds that invest in,
  - (1) for-profit businesses, if the venture capital fund's investments include investments in private businesses, or
  - (2) other venture capital funds that invest in for-profit businesses if the other venture capital fund's investment includes investments in private businesses.
- (ii) Investments in for-profit businesses that are,
  - (1) private businesses, or
  - (2) public businesses, if the Corporation,
    - (a) invested in the business when it was a private business, or
    - (b) has an investment in a venture capital fund described in paragraph 1 that made a direct or indirect investment in the business when it was a private business.
- (iii) Investments in businesses that the Corporation considers to be emerging technology businesses, which portfolio shall be known in English as the Ontario Emerging Technologies Fund and in French as Fonds ontarien de développement des technologies émergentes.

## Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2021

(Amounts in Canadian dollars)

### 1. Description of business (continued)

The following are prescribed as additional objects of the Corporation for the purposes of Section 4 of the Act:

- (1) To develop or participate in conferences or other events regarding venture capital matters.
- (2) To collect, analyze or distribute information regarding venture capital matters.
- (3) To provide advice to the Government of Ontario on venture capital matters.
- (4) To undertake other activities that are similar or related to the objects described in paragraphs 1, 2 and 3

As of March 31, 2021, the Corporation has venture capital investments outstanding in eight funds: (1) the Ontario Venture Capital Fund LP (OVCF); (2) the Ontario Emerging Technologies Fund (OETF); (3) the Northleaf Venture Catalyst Fund LP (NVCF); (4) the ScaleUP Venture Fund I, LP (SUVF); (5) the Yaletown Innovation Growth LP (Yaletown); (6) the Lumira Ventures III, LP (Lumira); (7) the Genesys Ventures III LP (Genesys); and (8) Amplitude Ventures I L.P. (Amplitude). Additional information leading to the formation of the funds may be found in Notes 6, 7, 8, 9, 10, 11, 12 and 13 respectively.

As required by the Agencies and Appointments Directive, the Corporation and the Minister have entered into a memorandum of understanding, which outlines the operational, administrative, financial and other relationships that exist between the Minister, the Ministry and the Corporation.

OCGC claims exemption from federal and provincial income taxes under paragraph 149(1)(d) of the Income Tax Act (Canada). As a provincial entity listed in Schedule A of the Canada-Ontario Reciprocal Taxation Agreement, OCGC can claim government rebates of the Harmonized Sales Tax (HST). Under the pay-and-rebate model, OCGC pays the HST on taxable supplies and services, and subsequently applies for a rebate of the HST paid.

The Province of Ontario has classified OCGC as an Operational Enterprise Agency with the same fiscal year ending March 31.

### 2 Summary of significant accounting policies

The Corporation's functional and presentation currency is the Canadian dollar. These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) established by the Canadian Public Sector Accounting Board. The more significant accounting policies of the Corporation are summarized below.

#### *Cash and cash equivalents*

Cash and cash equivalents include demand deposits that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value. Cash equivalents include investments that are short term and highly liquid and have maturities of less than three months from the original purchase date.



## Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2021

(Amounts in Canadian dollars)

### 2. Summary of significant accounting policies (continued)

#### *Marketable securities*

Investments in securities that are traded in an active market are measured at fair value as at March 31, with any unrealized gain or loss recognized on the statement of remeasurement gains and losses. Remeasurement gains and losses related to a particular investment are reclassified to the statement of operations and changes in accumulated operating surplus when that investment is settled. Fair value includes the value of accrued interest, as applicable.

Investments in securities that are not traded in an active market are measured at cost. Impairment losses, which are other than temporary, are recognized in the statement of operations and changes in accumulated operating surplus when they occur.

#### *Investments in limited partnerships*

Investments in OVCF, NVCF, SUVF, Yaletown, Lumira, Genesys and Amplitude limited partnerships are classified as financial instruments and carried at cost based on the capital calls made by their respective general partner. These investments are not traded in an active market; therefore, the fair values of the investments are not readily determinable. The investments are subsequently tested for impairment annually and any losses due to impairment are recognized immediately in the statement of operations and changes in accumulated operating surplus.

#### *Ontario Emerging Technologies Fund (OETF)*

The investments in OETF are classified as financial instruments and carried at cost or measured at fair value based on whether or not there exists an active market for the securities. OETF investments quoted in an active market are measured at fair value as at the statement of financial position date with any unrealized gain or loss recognized on the statement of remeasurement gains and losses. Remeasurement gains and losses are reclassified to the statement of operations and changes in accumulated operating surplus when an investment becomes impaired or is derecognized. Impairment losses that are other than temporary are recorded to the statement of operations and changes in accumulated operating surplus when recognized. Fair value includes the value of accrued interest or dividends payable, as applicable.

When an OETF investment is not traded in an active market, it is measured at cost. OETF investments are tested for impairment annually and any impairment losses are recognized immediately in the statement of operations and changes in accumulated operating surplus.

Accrued interest, dividends and realized gains on the sale of OETF investments are recorded as described below under revenue recognition. If the Corporation has evidence the amounts owing will be collected, these amounts are accrued as receivable; otherwise, a reserve is taken against these amounts. If, in a future year, the Corporation receives an amount that had been written off, it is recorded as a recovery that had been previously deemed uncollectible. Amounts written off or recovered are recognized in the

## Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2021

(Amounts in Canadian dollars)

### 2. Summary of significant accounting policies (continued)

#### *Ontario Emerging Technologies Fund (OETF) (continued)*

statement of operations and changes in accumulated operating surplus in the year in which they occur.

#### *Fair value and impairment*

The Corporation's carrying values of cash and cash equivalents, accounts receivable and accounts payable approximate their fair values due to the immediate or short-term nature of these financial instruments.

The fair values of investments in OVCF, NVCF, SUVF, Yaletown, Lumira, Genesys and Amplitude limited partnerships are not readily determinable and have been recorded at cost. The funds do not have a quoted market price in an active market. Subject to an impairment assessment policy, the Corporation may carry out periodic testing of fund investments to determine whether there has been an other than temporary loss in value that would indicate impairment. If the investment is determined to be impaired, it is written down to the new carrying value and the resulting impairment loss is recognized immediately in the statement of operations and changes in accumulated operating surplus.

The investments made in OETF portfolio companies are recorded at cost, which represents fair value at the time of acquisition. Investments in OETF that are quoted in an active market are measured at fair value at March 31. Any unrealized gain or loss is recognized in the statement of remeasurement gains and losses until the investment is derecognized in which the gain or loss is recognized in the statement of operations and changes in accumulated operating surplus. All other investments in OETF are measured at cost or amortized cost. As part of the reporting process to the Province of Ontario, the Corporation is required to carry out periodic valuations of OETF investments to determine whether there has been an other than temporary loss in value that would indicate impairment. If the investments are determined to be impaired, they are written down to the new carrying value and the impairment expense is recognized immediately in the statement of operations and changes in accumulated operating surplus. Furthermore, to the extent that a security held in OETF represents a compound financial instrument with an embedded derivative, such as an equity conversion option, the value of that derivative at acquisition should be measured at fair value unless that derivative is linked to and must be settled by delivery of unquoted equity instruments, in which case, the derivative would be required to be measured at cost. For derivatives classified to the fair value category, value is first determined by referencing a quoted price in an active market, or in the absence of this, by applying a suitable valuation technique.

#### *Revenue recognition*

Interest income is recognized as it is earned. For marketable securities and OETF investments, interest income is accrued using the effective interest rate method. Interest income is recorded on an accrual basis in accordance with the terms of the purchase agreement and to the extent that such amounts are expected to be collected.

## Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2021

(Amounts in Canadian dollars)

### 2. Summary of significant accounting policies (continued)

#### *Revenue recognition (continued)*

Dividend income is recognized in the year the Corporation becomes entitled to receive the dividend as per the terms and conditions of the share issuance.

Realized gains on the sale of OETF investments are recognized in the year the Corporation becomes entitled to receive the proceeds as per the terms and conditions of the respective disposition.

Distributions from OVCF, NVCF, SUVF, Yaletown, Lumira, Genesys and Amplitude are recognized in the year the Corporation becomes entitled to receive the distribution as per the terms and conditions of the respective limited partnership agreement.

OCGC has a number of transfer payment agreements, such as: OETF, NVCF, SUVF, CEF, LSVCF and VOF, where the funding received represents monies transferred from the Ministry to the Corporation, as described in Notes 7, 8, 9, 18, 19 and 20, respectively. The funding is recognized when received. CEF refers to the Cleantech Equity Fund, which the Corporation has made an initial \$20 million investment commitment to Yaletown. LSVCF refers to the Life Science Venture Capital Fund initiative, which the Corporation has made initial investments of \$23 million to Lumira, \$17 million to Genesys and \$10 million to Amplitude. VOF refers to the Venture Ontario Fund initiative.

#### *Expense categories*

Cash management fees primarily represent fees paid to the Ontario Financing Authority (OFA) for cash management and related services.

Professional fees relate to fees paid to third party service providers.

Board and committee member expenses represent monies paid to board and committee members according to the Board and Committee Members Remuneration Policy, which conforms with the Agencies and Appointments Directive of Management Board of Cabinet. In 2015, the Canada Revenue Agency (CRA) ruled that part-time per diem appointees (PTPDAs) are to be treated as employees for tax purposes only. This means that HST may not be paid for per diem services, since CRA does not consider appointee services (a) to be taxable supply; and (b) Employment Insurance is applicable. PTPDAs cannot participate in Canada Pension Plan with respect to their PTPDA services.

Reimbursements to the Ministry represent direct OCGC expenses paid by the Ministry on its behalf for administrative purposes only.

#### *Foreign currency translation*

Foreign currency gains and losses on monetary items are recognized immediately in the statement of operations and changes in accumulated operating surplus. Unrealized foreign currency gains and losses on marketable securities and investments in funds are recognized in the statement of remeasurement gains and losses. Unrealized foreign currency exchange gains and losses are reclassified from the statement of remeasurement gains and losses to the statement of operations and changes in accumulated operating surplus when the financial instrument is derecognized.

## Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2021

(Amounts in Canadian dollars)

### 2. Summary of significant accounting policies (continued)

#### *Measurement uncertainty*

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Such estimates are based on the best information available at the time of preparation of the financial statements and are periodically reviewed to reflect new information as it becomes available. Significant estimates include the valuation of OETF investments. Actual results could differ from those estimates.

### 3 Financial instruments

The Corporation has exposure to credit risk, liquidity risk, currency risk, interest rate risk and other price risk arising from financial instruments. This note presents information about OCGC's exposure to each of these risks.

#### *Credit risk*

Credit risk arises from the potential a counterparty will fail to perform its obligations. The Corporation is currently exposed to credit risk through its holdings of convertible debt instruments in OETF.

The Corporation considers obligations of the Governments of Ontario and Canada to be relatively risk-free (Note 5).

#### *Liquidity risk*

Liquidity risk is the risk an entity will encounter difficulty in raising funds to meet both expected and unexpected cash demands associated with its financial liabilities. The Corporation manages liquidity risk by maintaining holdings of cash or highly liquid investments. In addition, the Ministry provides funding to the Corporation to meet obligations as required.

#### *Currency risk*

Currency risk is the risk to the Corporation's results of operations that arises from fluctuations of foreign currency exchange rates and the degree of volatility of these rates. The Corporation's exposure to foreign currency exchange risk is limited to holding US dollar cash and cash equivalents and holding OETF investments denominated in US dollars. OCGC does not hedge its US dollar exposure. The Corporation had a net exposure of US\$13,906,499 as at March 31, 2021 (\$13,747,481 in 2020). A 5% increase (5% decrease) of the Canadian dollar against the US dollar as at March 31, 2021 would result in an impact of \$695,325 (\$687,374 in 2020) on the statement of remeasurement gains and losses with no impact on the operating surplus. In practice, the actual trading results may differ from this sensitivity analysis and the impact could be material.

## Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2021

(Amounts in Canadian dollars)

### 3. Financial instruments (continued)

#### *Interest rate risk*

Interest rate risk is the risk the value of a financial instrument might be adversely affected by a change in interest rates. In seeking to minimize the risks from interest rate fluctuations, the Corporation manages exposure through its normal operating and financing activities. The Corporation is exposed to interest rate risk primarily through its short-term marketable securities and OETF investments. Risks from interest rate fluctuations for marketable securities are minimal due to the investments being held for a term of three years or less to match the limited partnership drawdowns projected by their respective fund managers. The impact of interest rate fluctuations on OETF investments are considered minimal as these instruments are primarily held for purposes of capital appreciation.

#### *Other price risk*

Other price risk is the risk the value of financial instruments will fluctuate as a result of changes in market prices or from factors specific to an individual investment. The maximum risk resulting from the financial instruments is equivalent to their fair value. The marketable securities consist of treasury bills that are not subject to significant price risk. As at March 31, 2021, if the value of the investments in OVCF, NVCF, SUVF, Yaletown, Lumira, Genesys, Amplitude and OETF had increased or decreased by 5% and all other variables held constant, the value of the investments would have changed by \$10,270,955 (\$9,284,624 in 2020). Investments made through OVCF, NVCF, SUVF, Yaletown, Lumira, Genesys, Amplitude or in OETF are highly illiquid, do not have a readily determinable market price, and are generally in early stage companies where the ultimate value that may be realized by OCGC on eventual disposition is inherently unpredictable.

Returns on these investments will depend on factors specific to each company (such as financial performance, product viability and quality of management), and external forces (such as the economic environment and technological progress by competitors). The carrying value of the OETF portfolio is measured at cost less changes for any other than temporary impairment in value at the statement of financial position date; however, the amounts that may ultimately be realized could be materially different.

### 4 Accounts receivable

As a Schedule A provincial agency, OCGC is required to follow the pay and rebate model with respect to HST applied to direct purchases. The Corporation pays the HST on its purchases and, subsequently, files a monthly rebate claim with the Canada Revenue Agency for the HST paid. HST rebates receivable as at March 31, 2021 amounted to \$4,626 (\$3,250 in 2020).

Realized gains on the sale of OETF investments are recognized in the year the Corporation becomes entitled to receive the proceeds as per the terms and conditions of the respective dispositions. There were no receivables as a result of dispositions of OETF investments made in 2021 (\$597,793 in 2020).

## Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2021

(Amounts in Canadian dollars)

### 5 Marketable securities

OCGC may temporarily invest any monies not immediately required to carry out its objects in:

- (a) debt obligations of or guaranteed by the Government of Canada or a province of Canada; or
- (b) interest bearing accounts and short-term certificates of deposit issued or guaranteed by a chartered bank, trust company, credit union or caisse populaire.

The value of investments in marketable securities as at March 31 are as follows:

	2021		2020	
	Par value	Fair value	Par value	Fair value
	\$	\$	\$	\$
Province of Ontario treasury bills, due dates ranging from May 26, 2021 to December 1, 2021 average coupon rate of 0.00%	51,124,000	51,092,205	68,288,000	68,161,879
Province of Ontario treasury bills, due dates ranging from April 7, 2021 to November 10, 2021 average coupon rate of 0.00%	156,189,000	156,123,094	136,727,000	136,398,882
	<u>207,313,000</u>	<u>207,215,299</u>	<u>205,015,000</u>	<u>204,560,761</u>

Fair value includes any accrued interest owing on the treasury bills.

The fair value of the marketable securities may fluctuate depending on changes in interest rates. For the year ended March 31, 2021, a change in interest rates of 1.0% would result in an impact of \$2,072,153 (\$2,045,608 in 2020) to the results of operations.

### 6 Ontario Venture Capital Fund LP (OVCF)

In June 2008, the OVCF was established with an investment commitment from the Government of Ontario of \$90 million. OVCF is a \$205 million joint initiative of the Government of Ontario and private institutional investors, formed to invest primarily in Ontario based and Ontario focused venture capital and growth equity funds that support innovative, high potential companies.

The investment in OVCF is carried at cost, based on the capital calls made by the OVCF general partner. As OVCF is not traded in an active market, the fair value of the investment is not readily determinable.

### 7 Ontario Emerging Technologies Fund (OETF)

OETF was launched in July 2009 with a commitment from the Government of Ontario to provide funding of \$250 million. OETF, as a direct co-investment fund, makes investments into innovative high potential companies alongside other qualified investors with a proven track record of success. Investments are in three strategic sectors: (a) clean technology; (b) digital media and information and communication technologies; and (c) life sciences and advanced health technologies.

## **Ontario Capital Growth Corporation**

Notes to the Financial Statements

March 31, 2021

(Amounts in Canadian dollars)

### **7. Ontario Emerging Technologies Fund (OETF) (continued)**

On May 30, 2012, the Corporation paused new investments under OETF for an indefinite period of time. This decision did not affect the Corporation's ability to continue to make follow-on investments into existing portfolio companies.

### **8 Northleaf Venture Catalyst Fund LP (NVCF)**

In January 2014, the NVCF was established with an initial investment commitment of \$36.25 million from the Corporation. As at July 2015, OCGC had increased its commitment to a final total of \$50 million. NVCF is a \$300 million joint initiative of the Government of Ontario, Government of Canada and the private sector, formed to invest primarily in Canadian venture capital funds that support innovative, high potential companies.

The investment in NVCF is carried at cost, based on the capital calls net of any return of callable capital made by the NVCF general partner. As NVCF is not traded in an active market, the fair value of the investment is not readily determinable.

### **9 ScaleUP Venture Fund I, LP (SUVF)**

In February 2017, the Corporation made an investment commitment of \$25 million to the SUVF. SUVF is a joint initiative of the Government of Ontario and the private sector, formed to invest primarily in promising Ontario-based start-ups that have shown initial market success and demonstrate strong growth potential, but require new investment financing and mentorship to expand their operations. The final fund size is \$106 million.

The investment in SUVF is carried at cost, based on the capital calls net of any return of callable capital made by the SUVF general partner. As SUVF is not traded in an active market, the fair value of the investment is not readily determinable.

### **10 Yaletown Innovation Growth LP (Yaletown)**

In October 2017, the Corporation made an investment commitment of \$20 million to the Yaletown Innovation Growth LP. Yaletown is a joint initiative of the Government of Ontario and other public and private sector, formed with a focus on information-technology, energy-technology and clean-technology companies in Canada and the United States. The final fund size is \$128 million.

The investment in Yaletown is carried at cost, based on the capital calls net of any return of callable capital made by the Yaletown general partner. As Yaletown is not traded in an active market, the fair value of the investment is not readily determinable.

### **11 Lumira Ventures III, LP (Lumira)**

In July 2019, the Corporation made an investment commitment of \$23 million to the Lumira Ventures III, LP. Lumira is a joint initiative of the Government of Ontario and other public and private sector, formed with a focus on transformative healthcare and life sciences companies in Canada and the United States. The final fund size is \$178.55 million.

## Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2021

(Amounts in Canadian dollars)

### 11. Lumira Ventures III, LP (Lumira) (continued)

The investment in Lumira is carried at cost, based on the capital calls plus subsequent close interest net of any return of recallable capital made by the Lumira general partner. As Lumira is not traded in an active market, the fair value of the investment is not readily determinable.

### 12 Genesys Ventures III LP (Genesys)

In July 2019, the Corporation made an investment commitment of \$17 million to the Genesys Ventures III LP. Genesys is a joint initiative of the Government of Ontario and other public and private sector, formed with a focus on life science companies, across various sub-sectors of the life science industry, including biopharmaceuticals, medical devices and healthcare services/information technology. The final fund size is \$107 million.

The investment in Genesys is carried at cost, based on the capital calls plus subsequent close interest net of any return of recallable capital made by the Genesys general partner. As Genesys is not traded in an active market, the fair value of the investment is not readily determinable.

### 13 Amplitude Venture I LP (Amplitude)

In June 2020, the Ontario Capital Growth Corporation made an investment commitment of \$10 million to the Amplitude Ventures I L.P. Amplitude is a joint initiative of the Government of Ontario alongside other public and private sector companies, which generates returns by injecting capital in companies which are in early to growth phase, in the health sector. The interim fund size is \$186.64 million as at March 31, 2021.

The investment in Amplitude is carried at cost, based on the capital calls plus subsequent close interest net of any return of recallable capital made by the Amplitude general partner. As Amplitude is not traded in an active market, the fair value of the investment is not readily determinable.

### 14 Contractual commitments

OCGC has the following contractual commitments:

- (a) In accordance with a financial service agreement between the OFA and OCGC, OFA conducts investment and cash management services and activities for OCGC. OFA is the agency of the Province of Ontario responsible for providing financial and centralized cash management services for the government. OCGC pays OFA a fee for these services based on assets under management and reimburses for other related activities on a cost recovery basis.
- (b) Pursuant to the OVCF limited partnership agreement, OCGC is committed to making capital contributions on notice of capital calls. As at March 31, 2021, the total uncalled commitment is \$1,440,537 (\$4,320,537 in 2020) to be drawn down over the remaining years of the limited partnership.



## Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2021

(Amounts in Canadian dollars)

### 14. Contractual commitments (continued)

- (c) Pursuant to the SUVF limited partnership agreement, OCGC is committed to making capital contributions on notice of capital calls. As at March 31, 2021, the total uncalled commitment is \$4,760,557 (\$7,260,557 in 2020) to be drawn down over the remaining years of the limited partnership.
- (d) Pursuant to the Yaletown limited partnership agreement, OCGC is committed to making capital contributions on notice of capital calls. As at March 31, 2021, the total uncalled commitment is \$9,000,000 (\$11,800,000 in 2020) to be drawn down over the remaining years of the limited partnership.
- (e) Pursuant to the Lumira limited partnership agreement, OCGC is committed to making capital contributions on notice of capital calls. As at March 31, 2021, the total uncalled commitment is \$7,667,387 (\$15,468,087 in 2020) to be drawn down over the remaining years of the limited partnership.
- (f) Pursuant to the Genesys limited partnership agreement, OCGC is committed to making capital contributions on notice of capital calls. As at March 31, 2021, the total uncalled commitment is \$8,104,503 (\$10,010,944 in 2020) to be drawn down over the remaining years of the limited partnership.
- (g) Pursuant to the Amplitude limited partnership agreement, OCGC is committed to making capital contributions on notice of capital calls. As at March 31, 2021, the total uncalled commitment is \$8,285,449 (\$nil in 2020) to be drawn down over the remaining years of the limited partnership.

### 15 Investments in OETF

Investments in OETF can take the form of equity, warrants or convertible debt transacted in Canadian dollars (CAD) or US dollars (USD). The investments in OETF as at March 31 are summarized as follows:

	Acquisition cost*	Carrying value	2021 Contingent**	Acquisition cost*	Carrying value	2020 Contingent**
	\$	\$	\$	\$	\$	\$
CAD investments	22,112,576	19,326,839	—	29,746,940	16,219,681	—
USD investments	—	—	—	—	1,711,003	—
	<b>22,112,576</b>	<b>19,326,839</b>	<b>—</b>	<b>29,746,940</b>	<b>17,930,684</b>	<b>—</b>

\* Represents historical cost net of investments exited and investments written off to nil.

\*\* Represents follow-up on investments committed to by the Corporation but not yet executed.

All investments have been made in accordance with OETF guidelines. As at March 31, 2021, the OETF investment portfolio consisted of investments in 5 different companies, ranging from 0.23% to 3.81% of net assets. The percentage calculations exclude impaired investments in companies with a nominal or nil carrying value.

## **Ontario Capital Growth Corporation**

Notes to the Financial Statements

March 31, 2021

(Amounts in Canadian dollars)

### **16 Income on investment in OETF**

For the year ended March 31, 2021, the Corporation recognized \$15,880 (\$44,236 loss in 2020) of investment income in OETF.

### **17 Impairment of OETF investments**

For the year ended March 31, 2021, impairment charges of \$307,000 (\$9,332,130 in 2020) in OETF investments were identified by management and were recognized in the statement of operations and changes in accumulated operating surplus.

### **18 Accounts payable**

The Corporation and the Ministry carry out their respective operations on a shared cost basis. The Corporation reimburses the Ministry for certain expenses incurred on its behalf. These expenses may include but are not limited to staff salaries, benefits, information technology allocations per staff member, accommodations, external legal services, website development, French language translation, and other services.

Recognition and measurement of any reimbursement is subject to annual reconciliation between the Corporation and the Ministry, and approval of the extent and scope of the Ministry services to be provided.

The Corporation accrues eligible expenses reimbursable to the Ministry under accounts payable based on estimates provided by the Ministry that can be independently verified by the Corporation. Reimbursement payable in arrears as at March 31, 2021 amounted to \$267,118 (\$89,799 in 2020).

The remaining balance as at March 31, 2021 in the amount of \$215,701 (\$336,119 in 2020) represents payables in arrears to miscellaneous service providers.

### **19 Cleantech Equity Fund (CEF)**

The 2016 Ontario Budget committed \$55 million to develop new approaches to making equity investments by the Province in clean technology (“cleantech”) firms. OCGC implemented this initiative by establishing one or more limited partnerships in which the Corporation participated as a limited partner on the same terms as the other limited partners.

In August 2017, the Ministry entered into the CEF transfer payment agreement with OCGC and subsequently \$55 million to the Corporation.

In November 2017, the Ontario Capital Growth Corporation made an initial investment commitment of \$20 million to the Yaletown Innovation Growth LP.

The Corporation was in negotiation with another fund manager for the second CEF initiative. In April 2019, the fund manager formally advised the Corporation that they were unable to meet the fundraising targets and would not be proceeding with their proposed initiative. The Corporation is currently working with the Ministry on options to repurpose the \$35 million into another venture capital initiative.

## **Ontario Capital Growth Corporation**

Notes to the Financial Statements

March 31, 2021

(Amounts in Canadian dollars)

### **20 Life Sciences Venture Capital Fund (LSVCF)**

In March 2018, the Government of Ontario announced up to \$50 million to establish a new Life Science Venture Capital Fund (LSVCF). The Ministry entered into the LSVCF transfer payment agreement with OCGC and subsequently disbursed \$35 million to the Corporation. Folded into this initiative was \$10 million disbursed in 2014 originally to establish a new life sciences seed venture capital fund.

In July 2019, the Corporation entered into the Lumira Ventures III, limited partnership and the Genesys Ventures III limited partnership with an investment commitment of \$23 million and \$17 million, respectively. With OCGC's commitment, Lumira has a fund size of \$178.55 million and Genesys has a fund size of \$107 million.

In June 2020, the Corporation entered into the Amplitude Ventures I limited partnership with an investment commitment of \$10 million. Amplitude has an interim fund size of \$186.84 million as at March 31, 2021.

### **21 Venture Ontario Fund (VOF)**

In the Fall of 2017, the Corporation received approval to establish a new strategic market-based initiative to make investments into Ontario-based and Ontario-focused venture capital funds. Shortly thereafter, the Ministry entered into a \$60 million transfer payment agreement with OCGC. OCGC will be focused on making commitments to venture capital fund managers that are in the top-quartile as well as high-potential emerging fund managers. Sectors of interest include information and communication technologies, life sciences, and clean technologies and OCGC is open to committing to venture capital funds that invest in companies at all stages of development, providing seed through to growth capital. The initiative was subsequently branded as the Venture Ontario Fund.

In March 2019, OCGC received an initial \$26.64 million disbursement from the Ministry with the Corporation contributing \$8.36 million towards this initiative.

In March 2020, OCGC requested the remaining \$25 million disbursement which was received subsequently.

As at March 31, 2021, the initiative remained in development.

### **22 Related party transactions**

As of March 31, 2021, the Corporation has related party transactions with the Ministry of Economic Development, Job Creation and Trade ("MEDJCT"), the Ontario Financing Authority ("OFA"), and the Province of Ontario.

OCGC has no tangible capital assets or liabilities. It is subject to a policy whereby the Ministry or another government organization provides for the management of assets and liabilities used for, or as the result of, the provision of services to the Corporation (e.g. payroll, accommodation, utilities, information technology and communications services, et cetera).

## **Ontario Capital Growth Corporation**

Notes to the Financial Statements

March 31, 2021

(Amounts in Canadian dollars)

### **22 Related party transactions (continued)**

OCGC has limited resources to issue cheques or transact wire transfers to pay its direct suppliers and service providers. With the approval of the Ministry's controllership office, OCGC utilizes the Ministry's access to Ontario Shares Services ("OSS") to indirectly pay most of its suppliers and service providers. OSS journals these payments through the government's integrated financial information system ("IFIS") to cost centres of the Ministry. In turn, OCGC is invoiced by the Ministry quarterly for reimbursements.

The provision of services to the Corporation by a related party is subject to a policy of reimbursement for the costs of such services or service level agreement fee. If the Corporation has no "unrestricted" financial resources and/or has exhausted eligible transfer payments to reimburse the Ministry, the Ministry will offset such expenses in arrears from the Ministry's other direct operating expenses ("ODOE") budget line.

### **23 OCGC Operating Funding**

With the launch of OETF in July 2009, the Ministry is committed to flow up to \$20 million that may be utilized for the Corporation's operating expenses. Effective since April 1, 2016, the Ministry required OCGC to bifurcate the existing OETF transfer payment agreement to distinguish disbursements made for OETF investments and OCGC-related operating expenses incurred by the Corporation. OCGC's eligible operating expenses are capped at \$2 million per year.

For the year ended March 31, 2021, the aggregate OCGC operating funding payments received from the Ministry were \$1,440,000 (\$1,640,000 in 2020).

### **24 Non-financial assets**

The Corporation does not have any tangible capital assets or prepaid expenses. An inventory of office supplies is held for use and expensed in the year in which they are purchased. The total cost of these supplies is not material to the financial statements, and they are expected to be used up in a period of less than one year from their purchase date.

### **25 Significant event**

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel corona virus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put into place to combat the spread of the virus.

As a result of the COVID-19 pandemic, certain investments in for-profit businesses that the Corporation holds in OVCF, NVCF, SUVF, Yaletown, Lumira, Genesys, Amplitude and OETF may be negatively impacted. These investments are recorded at the lower of cost or fair value at the statement of financial position date.

The duration and impact of the COVID-19 pandemic is unknown at this time and it is not possible to reliably estimate the impact that the severity and length of the pandemic will have on the financial results and condition of the Corporation in future periods.

## **Ontario Capital Growth Corporation**

Notes to the Financial Statements

March 31, 2021

(Amounts in Canadian dollars)

### **26 Subsequent event**

In April 2021, the Corporation received approval from the Province of Ontario for the following:

- The underutilized \$35 million allocated to the Cleantech Equity Fund may be repurposed towards the Venture Ontario Fund.
- The Corporation may use investment returns to fund its operations and will no longer receive transfer payments from the Ministry to offset its operating expenses.

# CORPORATE GOVERNANCE

## Overview

OCGC is an agent of the Crown characterized by Management Board of Cabinet (MBC) Directive as a board-governed provincial agency. More specifically, OCGC is prescribed as a public body and a Commission public body in accordance with Ontario Regulation 146/10 under the *Public Service of Ontario Act, 2006*. Pursuant to MBC directives, OCGC is not organizationally part of the Ministry of Economic Development, Job Creation and Trade (Ministry), but it is considered to be within government. OCGC is required to prepare an annual report and provide it to the Minister of Economic Development, Job Creation and Trade (Minister) no later than 120 days after the end of OCGC's fiscal year and make it available to the public.

Corporate governance involves processes that permit the effective supervision and management of OCGC's activities by senior management, the OCGC Board of Directors (Board) and the Minister. It includes identifying individuals and groups responsible for activities and specifying their roles.

## Accountability and Responsibilities

OCGC's accountability structure flows from its governing statute, the *Ontario Capital Growth Corporation Act, 2008 (Act)*. The Minister is responsible for the administration of the Act with respect to OCGC. The Act, together with directives issued by MBC, the Minister and the Public Service Commission relating to Crown agencies, form a framework under which OCGC is governed.

Each year, the Minister is required to table OCGC's annual report in the Legislative Assembly. In addition, the Minister reviews and approves OCGC's annual business plan. The Minister also maintains communications with OCGC, through the Chair of the Board (Chair), regarding government policies and expectations relevant to OCGC.

The Chair is accountable to the Minister for the performance of OCGC in fulfilling its mandate. The Chair is responsible for providing advice and information to the Minister with respect to the operation and affairs of OCGC. In addition, the Chair provides leadership to OCGC. The Deputy Minister of the Ministry ensures organizational capacity in the Ministry to monitor OCGC, and ensuring it manages its risks appropriately.

The Board is appointed by the Lieutenant Governor in Council and is accountable to the Minister through the Chair. The Board performs a supervisory role. It oversees the management of the business and affairs of OCGC to ensure that OCGC's mandate is fulfilled. The Board is comprised of both public servants employed by the Crown and independent directors. The Board meets at least quarterly and receives regular reports from the President & CEO and OCGC staff concerning the operations of OCGC and its compliance with applicable laws and policies. Standards of conduct for Board members are set out in a Board-approved code of conduct.

There are also two committees of the Board to assist it in supervising the management of OCGC:

- a) The Audit and Risk Committee (ARC) reviews and recommends approval by the Board of an annual internal audit plan and receives reports from OCGC's internal auditors and Auditor of Record regarding internal controls and financial reporting. It also reviews financial policies and financial statements and recommends them to the Board. Another function of the ARC is to review OCGC's major risks and mitigation strategies
- b) The Governance & Human Resources Committee assists the Board in reviewing matters related to (1) OCGC governance structures and practices and (2) OCGC human resources programs and practices of OCGC regarding compensation, performance evaluation, and training.

The President & CEO works under the direction of the Chair and the Board and provides regular reports on OCGC's performance to the Board. Given that the President & CEO is employed under Part III of the *Public Service of Ontario Act, 2006*, the President & CEO is also responsible for consulting with the Deputy Minister of the Ministry as needed on matters of mutual importance, including services provided by the Ministry, alignment with Ministry and government policies, and adherence to Treasury Board/MBC directives. The President & CEO is responsible for managing the day-to-day operations and ongoing activities of OCGC, including the supervision of staff.

## **Financial Reporting Requirements**

OCGC prepares audited annual financial statements in accordance with the Canadian Public Sector Accounting Board Standards of the Chartered Professional Accountants of Canada. The financial statements are reviewed by the ARC and approved by the Board. The annual financial statements are audited by OCGC's independent external auditor who expresses an opinion on whether they present the financial results fairly and in accordance with Canadian Public Sector Accounting Standards. The findings are reviewed by the ARC and the Board. These audited financial statements are tabled in the Ontario Legislature as part of the Annual Report and are included in the Public Accounts of Ontario. Unaudited financial statements are prepared quarterly and presented to the ARC and the Board.

## **Internal Controls**

Management is responsible for establishing and maintaining internal controls to provide reasonable assurance regarding the reliability of financial reporting, to safeguard OCGC's assets and to manage its liabilities.

In meeting its responsibility for the reliability and timeliness of financial information, OCGC uses a comprehensive system of internal controls, including organizational and procedural controls. The system of internal controls includes:

- Comprehensive business planning;
- Written communications of policies and procedures governing corporate conduct and risk management;
- Segregation of duties;
- Maintenance and retention of detailed records;
- Responsible delegation of authority and personal accountability;
- Careful selection and training of personnel; and
- Maintenance of updated accounting and financial risk policies.

As part of its annual business plan, OCGC conducts an overall assessment of corporate-wide risks and develops appropriate mitigation strategies.

## **Operations**

OCGC continues to operate as a lean agency with a limited number of staff involved in operations, governance, financial controls and investments, and supported by a small number of external service providers having specialized investment knowledge in fund evaluation, direct co-investment and fund investments, as well as audit and bookkeeping.



## **MEMBERS OF THE BOARD OF DIRECTORS**

### **Gadi Mayman, Vice-Chair**

Date of initial appointment to OCGC Board: February 2009

End of current term: January 2023

As CEO of the Ontario Financing Authority (OFA), Gadi Mayman is responsible for the Province's capital market activities, including borrowing and debt management, corporate and electricity finance projects, and its banking and investor relationships. He is also CEO and Vice-Chair of the Ontario Electricity Financial Corporation. Prior to joining the OFA, Gadi worked at Export Development Canada in Ottawa and in the International Division of the TD Bank. He received a Bachelor of Applied Science degree in Industrial Engineering from the University of Toronto in 1981, and an MBA from the Ivey Business School at the University of Western Ontario in 1988. Gadi is also on the boards of Infrastructure Ontario and Invest Ontario, and is Co-Chair of the Joint Nuclear Funds Investment Committee, a joint committee of the OFA and Ontario Power Generation.

### **AnneMarie Ryan, Member**

Date of initial appointment to OCGC Board: April 2018

End of current term: May 2022

AnneMarie Ryan is an experienced senior executive and independent director. She was appointed a Commissioner of the Ontario Securities Commission from February 2013 to January 2019 and served as Lead Director of the Commission from Dec. 2016 to Jan. 2019. Prior to joining the OSC, she was President of AMR Associates Inc., consulting to Canadian financial service firms and regulators on Business Strategy and Planning, Market Structure, Trading Technology and Market Regulation. She was previously a member of the senior management teams of several investment dealers where she focussed on technology innovation in equity markets. Ms. Ryan is past Chair and was a member of the Board of Women in Capital Markets from 2006 to 2014. She also previously served on the boards of Benefaction Foundation and Epilepsy Canada. She holds a Bachelor of Arts degree in Political Science and a Master of Business Administration degree from the University of Toronto.

### **Tim Jackson, Member**

Date of initial appointment to OCGC Board: April 2018

End of current term: May 2022

Timothy Jackson is President and CEO of SHAD Canada and former Executive Vice-President of the MaRS Discovery District. Mr. Jackson currently serves as a director of Manulife Bank of Canada and Manulife Trust Company, Bold Innovation Group Ltd. and Bingemans Inc. He is also a board member of the Kitchener Waterloo Community Foundation. Previous community roles include terms as Chair of the Ontario Trillium Foundation, the Waterloo North Hydro Holding Corporation and the Food Bank of Waterloo Region and board roles with organizations

including Ontario Place Corporation and the University of Waterloo Board of Governors. Mr. Jackson is a Chartered Professional Accountant and he holds a Bachelor of Arts degree in Accounting from the University of Waterloo.

### **Elsbeth Murray, Member**

Date of initial appointment to OCGC Board: April 2018

End of current term: April 2023

Elsbeth Murray is Associate Dean, MBA and Masters Programs at the Stephen J.R. Smith School of Business at Queen's University and an Associate Professor in Strategy and Entrepreneurship. Dr. Murray is a member of the Trinity College School, Analytics for Life, and Homestead Landholding Boards, and former Vice-Chair of the Ontario Research and Innovation Council. Dr. Murray holds a Ph.D. from the Ivey School of Business at the University of Western Ontario, a Master of Business Administration degree from Queen's University, and a Bachelor of Science degree in Computer Science and Mathematics from Queen's University.

### **Vikram Khurana, Member**

Date of initial appointment to OCGC Board: July 2020

End of current term: July 2023

Vikram Khurana is Chair of Toronto Business Development Centre, a leading business incubator helping international start-ups and scale-ups grow in Ontario. He is founder of a number of multinational businesses including Prudential Consulting Inc. and Leading System Consultants and has advised multinational organizations on a variety of business areas including, FDI, international trade, Information Technology (IT), and business process outsourcing. Prior to becoming an entrepreneur, Mr. Khurana worked at TD Bank. He presently serves on the Board of Ontario Lottery and Gaming Corporation and as a Trustee of the Canada Post Community Foundation. Mr. Khurana served on the Board of Directors of Export Development Canada, FinDev Canada, the Dean's Council of Ted Rogers School of Management at Ryerson University, the Technical Standards and Safety Authority, Asia Pacific Foundation Canada and the Advisory Board of the Indo Canada Chamber of Commerce. Mr. Khurana is an active participant in a variety of fundraising activities for development-related causes and was an honorary member of the Board of Governors at Mount Sinai Hospital Foundation in Toronto.

### **Bryan Smith, Member**

Date of initial appointment to OCGC Board: August 2020

End of current term: August 2023

Bryan Smith is the Co-Founder and CEO of ThinkData Works, a Toronto-based technology company that enables data processing and refinement for governments, banks, and corporate clients across Canada and globally. Previously, Mr. Smith served as Senior Policy Advisor to the President of the Treasury Board of Canada, where he helped implement the Government's

“Value for Money Ethic”, leading to over \$7B in annual savings. Mr. Smith holds a B.A. from Wilfrid Laurier University.

### **Leslie Lewis, Member**

Date of initial appointment to OCGC Board: January 2021

End of current term: January 2024

Leslie Lewis is the Vice President of Financial Planning & Analysis at PowerSchool Group, a portfolio company of Onex Corporation. Prior to PowerSchool, Leslie was a Principal at Onex Corporation, one of the oldest and most successful private equity firms with total assets under management of over \$30 billion. Preceding Onex, Leslie was the Tax, Trade, and International Finance Policy Advisor to the Canadian Minister of Finance at the Government of Canada. Prior to her government service, Leslie was an investor at the Ontario Teachers’ Pension Plan and worked in investment banking as part of CIBC’s Mergers & Acquisitions group. Leslie’s career began as a Canadian national team athlete in kayaking and she holds a business degree from Acadia University. Leslie’s community involvement includes serving on the Board of Directors of the Workplace Safety & Insurance Board and the Toronto Pan Am Sports Centre.

### **Richard Robarts, Member**

Date of initial appointment to OCGC Board: February 2021

End of current term: February 2024

Richard Robarts is an Associate Vice President of Risk Management for TD Bank Group responsible for credit risk within the Commercial Bank. He was formerly a Director and Head of US Financial Institutions for Transaction Banking in TD Securities covering US banks and non-bank Financial Institutions (including fintechs). Prior to that, Mr. Robarts held various roles in Corporate and Investment Banking in TD Securities and began his career as co-founder of an Internet start-up during the dot-com era. His community involvement has included leading TD’s Juvenile Diabetes (JDRF) campaign, major fundraiser for TD Securities Underwriting Hope Charity Auction and active member of the Royal Canadian Yacht Club as a former World Champion, National Sailing Team member and Olympic Trials finalist. Mr. Robarts holds an MBA from the Ivey Business School at Western University and an Engineering degree from the University of Windsor.

### **Board Remuneration**

The total remuneration paid to board members in fiscal 2020-21 was \$4,000.00 and the breakdown is as follows.

<b>Appointee</b>	<b>Total Annual Remuneration</b>	<b>Per Diem Remuneration Rate</b>
Tim Jackson, Member	\$ 500.00	\$ 200.00
Vikram Khurana, Member	\$ 900.00	\$ 200.00
Leslie Lewis, Member	\$ 200.00	\$ 200.00
AnneMarie Ryan, Member	\$ 2,400.00	\$ 200.00
<b>Total</b>	<b>\$ 4,000.00</b>	<b>Not applicable</b>

## RISK MANAGEMENT POLICIES AND PROCEDURES

As part of its annual business plan, OCGC conducts an overall assessment of corporate-wide risks and develops appropriate mitigation strategies. OCGC's risk management plan is based on the requirements contained in the *Agencies & Appointments Directive*. The risk management plan considers the management of both internal and external risk exposures. The framework for OCGC's risk management plan, includes, but is not limited to the following risks:

- Financial risk;
- Human Resources risk;
- Operational risk; and
- Strategic risk.

In addition to OCGC's Annual Business Plan, a full risk assessment is provided semi-annually to the Board. The Board is also informed of real or potential exposure to risk through regular updates by the President & CEO.

## OUTLOOK FOR FISCAL 2021-22

The most recent agency mandate letter, which was received on November 13, 2020, identified several government-wide priorities for all agencies<sup>9</sup>, as well as specific priorities for OCGC. For fiscal 2021-22, OCGC will focus on the following strategic directions:

- Manage OCGC's investment portfolio and business operations in a prudent and cost-effective manner, with plans in place for a possible move to using self-generated revenue to cover the agency's operations in the future;
- Support the development of Ontario's venture capital ecosystem and strategically invest in venture capital funds in a way that implements the Province's venture capital policies, while maintaining OCGC's high rate of net positive returns to the Province; and
- Based on the investment framework finalized with the Ministry, resume evaluating and selecting venture capital investments that are in alignment with current government priorities, including but not limited to the commercialization and protection of intellectual property in Ontario.

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<sup>9</sup> As agencies are expected to act in the best interests of Ontarians by being efficient, effective, and providing value for money to taxpayers, government-wide priorities include (1) competitiveness, sustainability and expenditure management; (2) transparency and accountability; (3) risk management; (4) workforce management; (5) data collection; and (6) digital delivery and customer services.

## CONTACT INFORMATION

For general inquiries and information, please contact OCGC at:

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