



**Ontario Capital Growth Corporation  
2019-2020 Annual Report**

**July 23, 2020**

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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;
- Manages the Ontario Emerging Technologies Fund;
- Administers its limited partnership interests in externally-managed funds;
- 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 CHAIR AND PRESIDENT & CEO

We are pleased to present the 2019-20 Annual Report of the Ontario Capital Growth Corporation (OCGC). This report highlights OCGC's activities during the fiscal year which ended on March 31, 2020.

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 achieve the scale necessary to realize their full economic potential and compete in global markets.

Access to capital continues to play a critical role in accelerating the growth of innovative startups and entrepreneurial firms into medium and large companies. With a diversified portfolio of funds and companies, 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 made investment commitments to 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 (YIG), Lumira Ventures III (Lumira), and Genesys Ventures III (Genesys). OCGC has also made direct investments through the Ontario Emerging Technologies Fund (OETF) alongside qualified co-investors in emerging technology companies.

In total, OCGC has committed approximately \$330 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, Canadian portfolio companies currently employ approximately 13,000 people (up from 11,000 in the previous fiscal year), with the majority of these in Ontario, and have also cumulatively recorded approximately \$9.45 billion in revenues and \$2.59 billion in R&D expenditures<sup>1</sup>, up from \$7.5 billion and \$2 billion respectively in the previous fiscal year.

We would like to acknowledge the departure of Caroline Mandell from the Board of Directors (the Board), shortly after the year ended March 31, 2020. Ms. Mandell has been a valued Board member and we are indebted to her commitment and many contributions to OCGC's success.

We would like to thank the dedicated OCGC staff for their ongoing effort and commitment to OCGC's continued success, as well as the members of the Board for their advice and oversight during the year.

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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.

In 2020-21, OCGC will continue to manage the OETF investment portfolio and oversee its externally-managed limited partnerships in an efficient 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.

We look forward to continuing to work with both staff and the Board in the new fiscal year to deliver OCGC’s mandate.

Original Executed by: “Annie Ropar”

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**Annie Ropar**  
Chair

Original Executed by: “Steve Romanyshyn”

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**Steve Romanyshyn**  
President & CEO

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Ontario Venture Capital Market in 2019<sup>2</sup>

2019 saw the second consecutive annual venture capital investment total in Ontario exceed \$2 billion. Over \$2.7 billion in venture investment was disbursed, significantly topping the 2018 total of \$2.1 billion and continuing the general trend of year-over-year increases experienced over the last decade.

Ontario continues to lead all other provinces in venture investment capturing 38% of the nation's total, including multiple deals valued at over \$100 million. Ontario's ranking for venture capital investing is 7<sup>th</sup> amongst North American jurisdictions. The Toronto area remains at the top of the list of Canadian regional investment targets, having secured \$2.1 billion in venture deals, but fell out of the top ten North American metro regions to 12<sup>th</sup> overall. Information and communications technology (ICT) deals continue to be the recipient of the majority of Ontario's venture investment, totalling \$2.08 billion across 176 deals in 2019. Life sciences and cleantech deals made modest gains in value and number in 2019, but still rank well behind ICT.

Foreign capital continues to play a key role in Canadian venture investment. In 2019, Canadian funds supplied less than half (46%) of total disclosed invested capital and were surpassed by U.S. based funds, which supplied 47%. While the confidence of foreign investment can be seen as encouraging, the increased level of foreign to domestic capital highlights the need to continue to support local fund managers' ability to grow and scale. Larger domestic funds with the ability to provide larger rounds of financings improve Ontario's private companies' access to the required levels of capital to scale and compete internationally. Availability of appropriate levels of domestic venture capital can promote a positive cycle of increased investments, successful exits, and return on investments to Canada's venture markets.

During the fourth quarter of fiscal 2019-20, the global economy came to a virtual standstill due to the COVID-19 pandemic containment measures. Worldwide financial markets sold off, commodity prices plunged, and governments and central banks initiated aggressive measures to cushion the blow. Please note that OCGC carries venture capital investments on its balance sheet at the lower of cost or fair value based on the market conditions as at March 31, 2020. Although OCGC did not experience a significant negative impact on its investment portfolio, this may not reflect the long-term impact from the current downturn in the financial markets. Further development, duration and impact of the pandemic cannot be predicted at this time. However, OCGC will continue to monitor market risks and further impact of the pandemic on its investments.

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

## **OCGC Key Initiatives and Results in Fiscal 2019-20**

OCGC is pleased to highlight its key initiatives and results achieved during fiscal 2019-20 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 2019-20 set out in the annual agency mandate letter dated December 20, 2018, which included:

- Negotiating and entering into limited partnership agreements with one or more life science venture capital funds;
- Revising the memorandum of understanding between OCGC and the Ministry of Economic Development, Job Creation and Trade (the Ministry); and
- Implementing the annual investment planning framework.

## **Overall Performance in Fiscal 2019-20**

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 1.32x as of December 31, 2019 based on multiple of capital<sup>3</sup>, up from 1.31x as of December 31, 2018.

As of December 31, 2019, approximately 84% of OCGC's committed capital has been deployed.

Targets for fiscal 2019-20 were previously set in OCGC's annual business plan and no corrective action was required, as results were achieved as follows:

1. Manage the OETF investment portfolio:
  - Results achieved:
    - Metrics reported in a timely manner;
    - Fund performance reflects Canadian venture capital industry norms and corrective action taken as necessary;
    - Required portfolio management information generated on a timely basis to assist with OCGC investment decisions; and
    - Key performance indicators and portfolio developments reviewed on a quarterly basis for remaining OETF portfolio companies.
2. Administer the Province's LP interests in externally-managed funds
  - Results achieved:
    - Operating costs associated with OCGC's limited partnership interests remained within approved budget allocation;

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<sup>3</sup> Multiple of capital as calculated is net of underlying fund manager fees, expenses and carried interest, but before OCGC's operating costs.

- Fund performance reflects Canadian venture capital industry norms and corrective action taken as necessary; and
  - Reviewed update reports prepared by the fund managers and made inquiries as necessary to ensure adherence to the goals and objectives of the respective funds.
3. Support the development of Ontario's venture capital ecosystem and the implementation of the Province's venture capital policies
- Results achieved:
    - Proactively met with venture capital funds, investors, technology industry thought leaders and subject matter experts to gather market intelligence that will help shape appropriate venture capital public policies in the coming year; and
    - Relevant governmental and industry developments assessed quarterly, with action taken as required.

In total, OCGC has committed approximately \$330 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 made available over \$4 billion to venture capital fund managers and companies in Canada. Through OCGC's venture capital initiatives, Canadian portfolio companies currently employ approximately 13,000 people, with the majority of these in Ontario, and have cumulatively recorded approximately \$9.45 billion in revenues and \$2.59 billion in R&D expenditures<sup>4</sup>.

It should be noted that Management Board of Cabinet issued a revised Agencies & Appointments Directive in early 2019 instructing provincial agencies to include outcome-based performance measures as part of their annual report. The performance measures are to be aligned with the agency's mandate and used to track the agency's progress. OCGC worked with the Ministry to develop these reporting standards for fiscal 2020-21, which were included in the most recent annual business plan. OCGC will report on the outcomes of these performance measures in next year's annual report.

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<sup>4</sup> Revenues and R&D expenditures have been aggregated across OCGC's portfolio since inception.



## **Results Achieved<sup>5</sup>**

### **Key Initiatives**

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

OETF is fully committed, with reserves held for additional follow-on investments into its existing portfolio companies. The remaining OETF investment portfolio will continue to be managed by OCGC until all investments have been fully realized.

In fiscal 2019-20, OCGC did not make any new follow-on investments in the remaining OETF portfolio companies.

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 is well represented and dispersed throughout the major urban centers of southern Ontario. OETF portfolio companies have cumulatively recorded to date \$820 million in revenues, \$400 million in R&D expenditures and support an estimated 636 full-time careers.

As of March 31, 2020, OETF has generated a multiple of capital of 0.84x.

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

Ontario Venture Capital Fund (OVCF) is a \$205 million fund-of-funds focused on investing into Ontario-based venture capital funds. OVCF is fully committed, with no new investment commitments made in fiscal 2019-20.

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 2019-20, 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 \$4.3 billion in revenues, \$880 million in R&D expenditures and employ over 3,500 people.

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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.

## **Northleaf Venture Catalyst Fund LP**

The Northleaf Venture Catalyst Fund LP (NVCF) is a \$300 million fund-of-funds focused on investing into Canadian venture capital funds. NVCF completed its active investment period in fiscal 2019-20. 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 2019-20, 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 \$4.1 billion in revenues, \$1.2 billion in R&D expenditures and employ over 7,300 people.

## **ScaleUp Venture Fund I LP**

The ScaleUp Venture Fund I LP (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.

To date, capital committed by SUVF and the capital it has leveraged from third parties, has collectively provided approximately \$95 million to Ontario companies. SUVF's Ontario-based portfolio companies have recorded approximately \$124 million in revenues, \$42 million in R&D expenditures and employ over 500 people.

In fiscal 2019-20, SUVF made 1 new investment commitment. As of March 31, 2020, SUVF has committed a total of approximately \$63 million to 28 investments. This includes 16 Ontario-based early-stage technology companies, totaling approximately \$29 million.

## **Yaletown Innovation Growth LP**

Yaletown Innovation Growth LP (YIG) is focused on assisting Canadian technology companies to scale and become market leaders. Investments are targeted at emerging growth companies across Canada focused on enhancing sustainability and productivity in the cleantech, intelligent industry and intelligent enterprise sectors.

To date, capital committed by YIG and the capital it has leveraged from third parties, has collectively provided approximately \$32 million to Ontario companies. YIG's Ontario-based portfolio companies have recorded approximately \$15 million in revenues, \$17 million in R&D expenditures and employ over 100 people.

In fiscal 2019-20, YIG made 5 new investment commitments. As of March 31, 2020, YIG has made 10 investment commitments totaling \$42.7 million, including 2 Ontario-based companies totaling approximately \$12 million.

### **Lumira Ventures III LP**

Lumira Ventures (Lumira) invests in 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.

To date, capital committed by Lumira and the capital it has leveraged from third parties, has collectively provided approximately \$76.6 million to Ontario companies. Lumira's Ontario-based portfolio companies have recorded approximately \$62 million in revenues, \$2 million in R&D expenditures and employ 97 people.

In fiscal 2019-20, the fund made 6 new investment commitments including 3 Ontario based companies. As of March 31, 2020, the fund has committed a total of approximately \$52.1 million to 12 investments. This includes 4 Ontario-based companies, totaling approximately \$8.4 million.

### **Genesys Ventures III LP**

Genesys Capital (Genesys) 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.

To date, capital committed by Genesys and the capital it has leveraged from third parties, has collectively provided approximately \$270 million to Ontario companies. Genesys' Ontario-based portfolio companies have recorded approximately \$15 million in revenues, \$23 million in R&D expenditures and employ 210 people.

In fiscal 2019-20, Genesys made 3 new investment commitments in Ontario-based companies. As of March 31, 2020, the fund has committed a total of approximately \$29.3 million to 9 investments. This includes 7 Ontario-based companies, totaling approximately \$24.6 million.

## Development of Ontario's Venture Capital Ecosystem

In fiscal 2019-20, OCGC supported the development of Ontario's venture capital ecosystem by:

- Proactively meeting with venture capital funds, 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 participated in local venture capital events, including Canadian Fintech 3.0 Summit, Collision Conference 2019, and True North 2019. Where possible, OCGC took an active role in industry events, such as speaking at the Canadian Innovation Exchange, the Canadian Private Equity Summit, as well as other regional conferences. 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.

In fiscal 2019-20, OCGC's Board of Directors was also pleased to submit a proposal to the Minister to modernize OCGC. Grounded in market-based principles aligned with public policy goals and objectives, the proposed strategy outlines an economic development platform that can effectively partner with the private sector to help grow and strengthen the venture capital ecosystem in Ontario.

## Additional Priorities Set Out in Agency Mandate Letter

In addition to managing OCGC's current investment portfolio and supporting the development of Ontario's venture capital ecosystem, the annual agency mandate letter outlined a number of specific priorities to be accomplished in fiscal 2019-20. Below is a review of each additional priority and results achieved in fiscal 2019-20.

1. Negotiating and entering into limited partnership agreements with one or more life science venture capital funds:
  - Results achieved:
    - In fiscal 2019-2020, OCGC successfully negotiated and entered into a limited partnership agreement with two life sciences venture capital funds.
    - Subsequent to the reporting period, OCGC completed negotiations and entered into a limited partnership agreement with the third and final life science venture capital fund manager.
2. Revising the memorandum of understanding between OCGC and the Ministry:
  - Results achieved:
    - The revised MOU was fully executed by both parties on August 22, 2019.

3. Implementing the annual investment planning framework.

- Results achieved:

- OCGC developed the annual investment framework in consultation with the Ministry, which was approved by the OCGC board of directors and formally submitted to the Ministry on January 29, 2019. The Ministry subsequently directed OCGC to *“pause due diligence and plans to make venture fund investment proposed in the approved investment framework until further notice from the Ministry”*. OCGC continues to follow this direction.

June 26, 2020

## **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, 2020.

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, 2020, 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, 2020, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Ontario Capital Growth Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 26, 2020



**Ontario Capital Growth Corporation**  
**Statement of financial position**

As at March 31, 2020

(Amounts in Canadian dollars)

	Notes	2020 \$	2019 \$
<b>Financial assets</b>			
Cash and cash equivalents		<b>18,415,576</b>	13,164,754
Marketable securities	5	<b>204,560,761</b>	177,454,377
Accounts receivable	4	<b>25,601,043</b>	31,968,630
Ontario Venture Capital Fund LP – OVCF	6	<b>76,693,451</b>	79,425,289
Ontario Emerging Technologies Fund – OETF	7 and 14	<b>17,930,684</b>	27,819,978
Northleaf Venture Catalyst Fund LP – NVCF	8	<b>50,000,000</b>	50,000,000
ScaleUP Venture Fund I LP – SUVF	9	<b>17,739,443</b>	13,500,000
Yaletown Innovation Growth LP – Yaletown	10	<b>8,200,000</b>	3,800,000
Lumira Ventures III LP – Lumira	11	<b>7,775,982</b>	—
Genesys Ventures III LP – Genesys	12	<b>7,352,914</b>	—
		<b>434,269,854</b>	397,133,028
<b>Liabilities</b>			
Accounts payable and accrued liabilities	17	<b>425,918</b>	293,131
Net financial assets		<b>433,843,936</b>	396,839,897
Non financial assets	22	—	—
<b>Accumulated surplus</b>		<b>433,843,936</b>	396,839,897
Contractual commitments	13		
<b>Accumulated surplus is comprised of</b>			
Accumulated operating surplus		<b>433,389,779</b>	395,786,260
Accumulated remeasurement gains		<b>454,157</b>	1,053,637
		<b>433,843,936</b>	396,839,897

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

Approved by the Board

\_\_\_\_\_, Director

\_\_\_\_\_, Director

Original Executed by: “Annie Ropar”, Director

Original Executed by: “Gadi Mayman”, Director

## Ontario Capital Growth Corporation

### Statement of operations and changes in accumulated operating surplus

Year ended March 31, 2020

(Amounts in Canadian dollars)

	Notes	Budget \$	2020 Actual \$	2019 Actual \$
<b>Revenue</b>				
Funding and transfer payments from the Province of Ontario				
OETF	7	2,000,000	1,640,000	1,050,000
Venture Ontario Fund – VOF	20	25,000,000	25,000,000	26,640,000
Interest income		3,259,000	3,982,476	3,228,281
Investment loss on OETF portfolio investments	15	—	(44,236)	—
Investment income on distribution from OVCF		369	132	29,654
Investment income on distribution from Yaletown		6,631	6,631	5,192
Realized capital (loss) gain on OETF investments			(80,171)	3,878,740
Capital gain on distribution from OVCF		261,000	16,598,326	607,391
Expression of Interest expense recovery from funds				
Prior period		134,000	133,977	—
Current period		74,000	74,207	—
Foreign exchange gain (loss)	3	(234,000)	1,097,505	334,722
		<b>30,501,000</b>	<b>48,408,847</b>	<b>35,773,980</b>
<b>Expenses</b>				
Reimbursements to the Ministry	17	1,042,000	1,059,466	1,075,543
Cash management fees	13	44,000	33,902	34,138
Professional services fees	13	319,000	376,047	499,325
Board and committee member expenses		5,000	3,783	4,399
Impairment of OETF portfolio investments	16	—	9,332,130	1,984,500
		<b>1,410,000</b>	<b>10,805,328</b>	<b>3,597,905</b>
Annual surplus		<b>29,091,000</b>	<b>37,603,519</b>	32,176,075
Accumulated operating surplus, beginning of year		<b>395,786,260</b>	<b>395,786,260</b>	363,610,185
<b>Accumulated operating surplus, end of year</b>		<b>424,877,260</b>	<b>433,389,779</b>	<b>395,786,260</b>

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, 2020

(Amounts in Canadian dollars)

	<b>Budget</b>	<b>2020</b>	2019
	\$	Actual	Actual
		\$	\$
<b>Accumulated remeasurement gains, beginning of year</b>	<b>1,053,637</b>	<b>1,053,637</b>	978,098
Unrealized (losses) gains attributable to			
Foreign exchange	—	<b>(29,254)</b>	166,497
Marketable securities	—	<b>(21,212)</b>	40,840
OETF portfolio investments	<b>(53,637)</b>	<b>(549,014)</b>	(131,798)
	<b>(53,637)</b>	<b>(599,480)</b>	75,539
<b>Accumulated remeasurement gains, end of year</b>	<b>1,000,000</b>	<b>454,157</b>	1,053,637

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, 2020  
(Amounts in Canadian dollars)

	<b>Budget</b>	<b>2020 Actual</b>	2019 Actual
	\$	\$	\$
<b>Annual surplus</b>	<b>29,091,000</b>	<b>37,603,519</b>	32,176,075
Net remeasurement (losses) gains	<b>(53,637)</b>	<b>(599,480)</b>	75,539
Increase in net financial assets	<b>29,037,363</b>	<b>37,004,039</b>	32,251,614
Net financial assets, beginning of year	<b>396,839,897</b>	<b>396,839,897</b>	364,588,283
<b>Net financial assets, end of year</b>	<b>425,877,260</b>	<b>433,843,936</b>	396,839,897

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

## Ontario Capital Growth Corporation

### Statement of cash flows

Year ended March 31, 2020

(Amounts in Canadian dollars)

	2020	2019
	\$	\$
<b>Operating transactions</b>		
Annual surplus	<b>37,603,519</b>	32,176,075
Realized (losses) gains on sale of OETF investments	<b>80,171</b>	(3,878,740)
Realized gains on sale of OVCF investments	<b>(16,598,326)</b>	(607,391)
Impairment of OETF portfolio investment	<b>9,332,130</b>	1,984,500
Changes in non-cash operating balances		
Decrease (increase) in accounts receivable	<b>6,367,587</b>	(30,592,328)
Increase in accounts payable and accrued liabilities	<b>132,787</b>	57,157
	<b>36,917,868</b>	(860,727)
<b>Investing transactions</b>		
Proceeds from disposal and redemptions of marketable securities	<b>672,888,770</b>	563,319,203
Purchase of marketable securities	<b>(700,016,366)</b>	(547,368,960)
Purchase of investments in OVCF	<b>(2,970,000)</b>	(8,685,000)
Proceeds from investments in OVCF	<b>16,598,326</b>	607,391
Return of capital from OVCF	<b>5,701,838</b>	636,497
Purchase of investments in SUVF	<b>(4,239,443)</b>	(7,250,000)
Purchase of investments in Yaletown	<b>(4,400,000)</b>	(2,800,000)
Purchase of investments in Lumira	<b>(7,775,982)</b>	—
Purchase of investments in Genesys	<b>(7,352,914)</b>	—
Sale of investments in OETF	<b>42,080</b>	5,336,111
Purchase of investments in OETF	<b>(143,355)</b>	(442,048)
	<b>(31,667,046)</b>	3,353,194
Increase in cash and cash equivalents during the year	<b>5,250,822</b>	2,492,467
Cash and cash equivalents, beginning of year	<b>13,164,754</b>	10,672,287
<b>Cash and cash equivalents, end of year</b>	<b>18,415,576</b>	13,164,754

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

# Ontario Capital Growth Corporation

## Notes to the financial statements

March 31, 2020

(Amounts in Canadian dollars)

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### 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, 2020, 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.

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, 2020, the Corporation has venture capital investments outstanding in seven 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); and (7) the Genesys Ventures III LP (Genesys). Additional information leading to the formation of the funds may be found in Notes 6, 7, 8, 9, 10, 11 and 12 respectively.

# Ontario Capital Growth Corporation

## Notes to the financial statements

March 31, 2020

(Amounts in Canadian dollars)

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### 1. Description of business (continued)

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.

#### *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 and Genesys 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 Capital Growth Corporation**  
**Notes to the financial statements**

March 31, 2020

(Amounts in Canadian dollars)

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

*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 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 and Genesys 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.



**Ontario Capital Growth Corporation**  
**Notes to the financial statements**

March 31, 2020

(Amounts in Canadian dollars)

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

*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.

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 and Genesys 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 and \$17 million to Genesys. 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, 2020

(Amounts in Canadian dollars)

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**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. 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 \$13,747,481 US dollar as at March 31, 2020 (\$14,059,597 in 2019). A 5% increase (5% decrease) of the Canadian dollar against the US dollar as at March 31, 2020 would result in an impact of \$687,374 (\$702,980 in 2019) 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.

*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.

**Ontario Capital Growth Corporation**  
**Notes to the financial statements**

March 31, 2020

(Amounts in Canadian dollars)

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**3. Financial instruments (continued)**

*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, 2020, if the value of the investments in OVCF, NVCF, SUVF, Yaletown, Lumira, Genesys and OETF had increased or decreased by 5% and all other variables held constant, the value of the investments would have changed by \$9,284,624 (\$8,727,263 in 2019). Investments made through OVCF, NVCF, SUVF, Yaletown, Lumira, Genesys 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, 2020 amounted to \$3,250 (\$4,827 in 2019).

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. Accounts receivable, as a result of dispositions of OETF investments made in 2020, amounted to \$597,793 and remains in escrow for future disbursement (\$5,323,803 in 2019).

The remaining balance as at March 31, 2020 in the amount of \$25,000,000 represents a receivable from the Province of Ontario in Venture Ontario Fund (VOF) as described in Note 20 (\$26,640,000 in 2019).

**Ontario Capital Growth Corporation**  
**Notes to the financial statements**

March 31, 2020

(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:

	2020		2019	
	Par value \$	Fair value \$	Par value \$	Fair value \$
Province of Ontario treasury bills, due dates ranging from May 27, 2020 to October 21, 2020 average coupon rate of 0.00%	68,288,000	68,161,879	52,836,000	52,427,627
Province of Ontario treasury bills, due dates ranging from April 15, 2020 to March 10, 2021 average coupon rate of 0.00%	136,727,000	136,398,882	125,769,000	125,026,750
	<b>205,015,000</b>	<b>204,560,761</b>	178,605,000	177,454,377

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, 2020, a change in interest rates of 1.0% would result in an impact of \$2,045,608 (\$1,774,544 in 2019) 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.

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.

For the year ended March 31, 2020, the aggregate OETF transfer payments received from the Ministry were \$1,640,000 (\$1,050,000 in 2019).

**Ontario Capital Growth Corporation**  
**Notes to the financial statements**

March 31, 2020

(Amounts in Canadian dollars)

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**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 recallable 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 recallable 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. As at March 31, 2020, the total fund size is \$128 million (\$118 million in 2019).

The investment in Yaletown is carried at cost, based on the capital calls net of any return of recallable 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.

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.

**Ontario Capital Growth Corporation**  
**Notes to the financial statements**

March 31, 2020

(Amounts in Canadian dollars)

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**12. Genesys Ventures III LP (Genesys) (continued)**

The investment in Genesys is carried at cost, based on the capital calls plus subsequent close interest net of any return of callable 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. 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, 2020, the total uncalled commitment is \$4,320,537 (\$7,290,537 in 2019) to be drawn down over the remaining years of the limited partnership.
- (c) Pursuant to the SUVF limited partnership agreement, OCGC is committed to making capital contributions on notice of capital calls. As at March 31, 2020 the total uncalled commitment is \$7,260,557 (\$11,500,000 in 2019) 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, 2020, the total uncalled commitment is \$11,800,000 (\$16,200,000 in 2019) 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, 2020, the total uncalled commitment is \$15,468,087 (nil in 2019) 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, 2020, the total uncalled commitment is \$10,010,944 (nil in 2019) to be drawn down over the remaining years of the limited partnership.
- (g) In accordance with the contract between LP Analyst and OCGC, LP Analyst provides investment consulting services including sourcing strategy, conducts due diligence services and activities for potential new fund investments, provides business advice to support negotiation, and undertake portfolio monitoring and reporting. OCGC pays both fixed and hourly rates for these services and activities, respectively.
- (h) In accordance with the contract between Covington Capital Corporation (Covington) and OCGC, Covington conducts services and activities to qualify, monitor, and exit OETF's investments. OCGC pays both fixed and hourly rates for these services and activities, respectively.
- (i) In accordance with the contract between Weiler & Company and OCGC, Weiler & Company performs accounting functions relating to the operations of OCGC. OCGC pays an hourly rate for these services.

**Ontario Capital Growth Corporation**  
**Notes to the financial statements**

March 31, 2020

(Amounts in Canadian dollars)

**14. 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:

	2020			2019		
	Acquisition cost*	Carrying value	Contingent**	Acquisition cost*	Carrying value	Contingent**
	\$	\$	\$	\$	\$	\$
CAD investments	29,746,940	16,219,681	—	29,837,656	25,551,811	—
USD investments	—	1,711,003	—	—	2,268,167	—
	<b>29,746,940</b>	<b>17,930,684</b>	<b>—</b>	<b>29,837,656</b>	<b>27,819,978</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, 2020, the OETF investment portfolio consisted of investments in 5 different companies, ranging from 0.07% to 3.04% of net assets. The percentage calculations exclude impaired investments in companies with a nominal or nil carrying value.

**15. Income on investment in OETF**

For the year ended March 31, 2020, the Corporation recognized \$44,236 (nil in 2019) of investment loss in OETF.

**16. Impairment of OETF investments**

For the year ended March 31, 2020, impairment charges of \$9,332,130 (\$1,984,500 in 2019) in OETF investments were identified by management and were recognized in the statement of operations and changes in accumulated operating surplus.

**17. 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, 2020 amounted to \$89,799 (\$126,370 in 2019).

The remaining balance as at March 31, 2020 in the amount of \$336,119 (\$166,761 in 2019) represents payables in arrears to miscellaneous service providers.

**Ontario Capital Growth Corporation**  
**Notes to the financial statements**

March 31, 2020

(Amounts in Canadian dollars)

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**18. 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.

**19. 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.

As at March 31, 2020, the Corporation remains in negotiation with another fund manager for the third LSVCF initiative.

**20. 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, 2020, the initiative remains in development.



**Ontario Capital Growth Corporation**  
**Notes to the financial statements**

March 31, 2020

(Amounts in Canadian dollars)

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**21. Related party transactions**

As of March 31, 2020, 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).

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.

**22. 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.

**23. 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 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.

# 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 (the 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 (the 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 Board of Directors 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* (the 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 its 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 & Risk Committee (ARC) approves an annual audit plan prepared by OCGC's independent external auditors and liaises as appropriate with OCGC's internal auditors and the Auditor General of Ontario regarding financial reporting and internal controls. The ARC also reviews financial policies and financial statements and recommends these for approval by the Board. In addition, the ARC reviews OCGC's major risks and mitigation strategies.
- b) The Human Resource Committee assists the Board in ensuring appropriate measures are in place relating to compensation, performance evaluation, and training for staff in critical areas.

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 Volume 2 of the Public Accounts of the Province. 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**

### **Annie Ropar, Chair**

Date of initial appointment to OCGC Board: April 2014

End of current term: April 2021

As Chief Financial Officer (CFO) and Chief Administrative Officer (CAO), Ms. Ropar is responsible for the financial oversight of Canada Infrastructure Bank activities, including financial and enterprise risk management, as well as the oversight of corporate functions, including legal, human resources and operations. Ms. Ropar was previously CFO of Aequitas Innovations Inc., which operates the NEO stock exchange. Prior to Aequitas, she held the roles of Managing Director, Business Manager, Global Equities at RBC Capital Markets, and Partner with RBC Capital Partners. Before joining RBC, Ms. Ropar served as Senior Vice President and Group CFO of what was then the Structured Finance division of CIT Group Inc. Ms. Ropar is a Chartered Professional Accountant and has a U.S. Certified Public Accountant designation. She holds a Bachelor of Business Management from Ryerson University, and is Chair of the Ontario Capital Growth Corporation board of directors. In the community, Ms. Ropar currently serves as a director on the board of the Princess Margaret Cancer Foundation, and is Chair of their Audit and Risk Committee. She is also a member of the Finance and Audit Committee of University Health Network.

### **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 board of Infrastructure 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: April 2021

AnneMarie Ryan was appointed as a Commissioner of the Ontario Securities Commission in February 2013 and served until her retirement from the Commission on January 31, 2019. She was Lead Director of the Commission from December 2016 to January 2019 and Chair of the Governance and Nominating Committee from August 2014 to December 2016. Prior to being appointed to the OSC, Ms. Ryan was President of AMR Associates Inc., consulting to Canadian financial service firms and regulators on business strategy and planning, market structure, trading technology, market regulation, and policy. Prior to that, she had an extensive career as a senior executive at a number of financial services firms. 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: April 2021

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 Master's 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.

## Caroline Mandell, Member

Date of initial appointment to OCGC Board: April 2018

End of current term: April 2020

As a Partner at Langmaids Asset Management, Caroline Mandell is responsible for providing investment and portfolio management advice covering public and private market investment opportunities to clients. Prior to joining Langmaids in 2010, she worked in principal investing at several private equity firms including Richardson Capital in Toronto, CCMP Capital in London, England and Thomas H. Lee Partners in Boston. Prior to that she was focused on public company advisory work within the investment banking division at Goldman Sachs in New York. She holds a Bachelor of Commerce degree from Queen's University and a Master of Business Administration degree from Harvard University.

## Board Remuneration

The total remuneration paid to board members in fiscal 2019-20 was \$3,700.00 and the breakdown is as follows.

Appointee	Total Annual Remuneration	Per Diem Remuneration Rate
Tim Jackson, Member	\$ 1,400.00	\$ 200.00
Anne Marie Ryan, Member	\$ 2,300.00	\$ 200.00
<b>Total</b>	<b>\$ 3,700.00</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 2020-21

For fiscal 2020-21, OCGC's strategic direction will focus on specific priorities set out in the annual agency mandate letter as follows:

- Complete the remaining approved investment under the Life Science Venture Capital Fund initiative;
- Administer OCGC's limited partnership interests in externally-managed funds;
- Manage the remaining OETF investment portfolio until all investments have been realized;
- Support the development of Ontario's venture capital ecosystem and the implementation of the Province's venture capital policies; and
- Continue to pause on the Investment Framework until further notice.

## CONTACT INFORMATION

For general inquiries and information, please contact OCGC at:

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To receive any section of this report, or the report in its entirety, in a more accessible, alternative format, please contact [ocgc@ontario.ca](mailto:ocgc@ontario.ca).