



Annual Report Fiscal 2023-24

July 2024

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ABOUT VENTURE ONTARIO

Venture Ontario was established as an agency of the Crown on February 1, 2009 by the *Venture Ontario Act, 2008* (the Act) and is accountable to the Minister of Economic Development, Job Creation and Trade (the Minister). Venture Ontario's mandate is closely aligned with the Ontario government (the Province) focus on economic growth and increased employment in Ontario. Specifically, Venture Ontario:

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

MESSAGE FROM THE BOARD AND PRESIDENT & CEO

We are pleased to present the Fiscal 2023-24 Annual Report for Venture Ontario (or the Agency). This report highlights the Agency's activities during the past fiscal year, which ended on March 31, 2024.

Venture Ontario 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. The Agency provides access to capital that enables innovative Ontario-based companies to realize their full economic potential.

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

Venture Ontario has committed approximately \$475 million to Ontario-based/Ontario-focused fund managers and start-up companies, up from \$442 million compared to last year. The Agency's venture capital initiatives, together with third-party capital, have collectively made available approximately \$5.5 billion to venture capital fund managers and companies in Canada. Through the Agency's investments, Ontario portfolio companies currently employ over 10,000 people and have cumulatively recorded approximately \$15 billion in revenues and \$4 billion in R&D expenditures.¹

Since inception, the Agency has performed well, generating a 1.46x multiple of capital² as of March 31, 2024.

In fiscal 2024-25, Venture Ontario will manage its investment portfolio and general business operations in a prudent and cost-effective manner. We will also continue to support the development of Ontario's venture capital ecosystem and provide advice and support to the Minister on the Province's venture capital policies.

We would like to acknowledge the end of Tim Jackson's appointment to the Venture Ontario Board of Directors, with his term expiring shortly after the year ending March 31, 2024. We would like to thank Tim for his significant contributions and outstanding service during his tenure with the agency. His leadership, both as a director of the Board and as the Chair of the Audit & Risk Committee, was invaluable.

¹ Revenues and R&D expenditures are reported as of December 31, 2023 have been aggregated across Venture Ontario'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.

² Multiple of capital as calculated is net of underlying fund manager fees, expenses and carried interest, but before Venture Ontario's operating costs.

Most importantly, we would like to thank the dedicated staff of Venture Ontario and our Board members for their ongoing effort and commitment to the Agency's success. We look forward to continuing to work together in the new fiscal year to deliver Venture Ontario's mandate.

Original Executed by: "Daniel Nowlan"

Daniel Nowlan
Chair

Original Executed by: "Steve Romanyshyn"

Steve Romanyshyn
President & CEO

MANAGEMENT'S DISCUSSION AND ANALYSIS

Ontario Venture Capital Market in 2023³

Venture investment in 2023 continued to cool from the unprecedented increase in investment experienced in 2021 and to a lesser extent in 2022. At approximately \$3 billion invested, activity reverted to pre-pandemic levels roughly on par with 2019's \$2.9 billion. Overall, there has been a steady increase in annual venture capital investment in Ontario as the Province emerged from the 2008-09 turmoil. The steady upward climb reflects the region's attractiveness to investors, supported by a favorable business environment and a growing entrepreneurial ecosystem. While global economic conditions will continue to shape and influence the Ontario venture marketplace, it would seem the significantly elevated investment levels between 2020 and 2022 were an outlier and once again, many venture capital funds and entrepreneurs are struggling to raise capital.

Technology investment continues to dominate Ontario, representing 85% of dollars invested, continuing a trend that over the past decade that has seen an annual average of 80% of investment flow to high-tech start-ups. Toronto has emerged as a global hub for artificial intelligence, fintech, digital banking, and blockchain technology startups. Health/biotechnology companies have not enjoyed the same level of investment attraction, registering only 2% of total dollars and marking the 4th time in the prior 5 years the sector has accounted for single digit share of investment. Investments in cleantech and other non-high technology account for the remaining 13% of investment, which is largely on par with recent averages. As global awareness of climate change has increased, there has been a growing interest in clean energy startups with the industry beginning to carve a niche for itself.

Distribution of investment across company stages does not deviate from recent trends but nonetheless provides insight into the dynamics of Ontario's venture capital market. Later stage companies received 43% of all investment dollars, on par with the previous year and above the 5-year average. Expansion stage investment fell sharply from 37% to 21% of the total. In contrast, early-stage companies attracted an additional 10% of market share compared to 2022, for a total of 30% of invested capital. Early-stage funding remains crucial for fostering innovation in the province, with government support a necessary anchor in encouraging innovation and growth in the venture capital asset class.

Ontario-based startups continue to have a strong appeal to international investors, specifically US-based firms. In 2023, US investors accounted for 41% of invested capital in Ontario once again outpacing Canadian firms (39%) as it has in each of the previous two years. International investment, which accounts for 60% of total Ontario investment, highlights the recognition of the region as a key player in the global innovation landscape.

While Silicon Valley remains unchallenged as the global benchmark in venture capital activity, Ontario has ranked within the top 10 North American jurisdictions for capital investment in 12 of the last 13 years. In 2023, Ontario ranked 7th in total investment affirming itself as a

³ All statistics, figures and data refer to calendar year and are sourced from Refinitiv unless otherwise noted.

prominent hub within the North American landscape. Within Canada, Ontario continues to rank 1st, as it has for the past 20 years, accounting for 42% of all venture investment.

Overall Performance in Fiscal 2023-24

Venture Ontario is pleased to highlight its key results for the fiscal year ended March 31, 2024, that helped to fulfill the Agency's mandate and government priorities outlined in the Agency's letter of direction for fiscal 2023-24, including:

- Managing Venture Ontario's investment portfolio and business operations in a prudent and cost-effective manner using self-generated revenue to cover the Agency's operations;
- Supporting the development of Ontario's venture capital ecosystem and strategically invest in venture capital funds while maintaining Venture Ontario's high rate of net positive returns to the Province;
- Ensuring that Venture Ontario Fund investments are consistent with the Investment Framework that ensures investments are aligned with current government priorities, including but not limited to the commercialization/retention of intellectual property in Ontario and support for growth-oriented venture funds critical to Ontario firms reaching international prominence; and
- Working alongside Invest Ontario to align investment attraction efforts to support the growth of local companies.

Venture Ontario 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 the Agency's investments has a valuation of 1.46x multiple of capital⁴ as of March 31, 2024, holding steady from 1.49x as of March 31, 2023. Venture Ontario expects that its investments will continue to build value over the long-term.

With inflationary trends abating, normalization of global supply chains, and the G7 central banks starting to lower rates, expectations are for a more positive economic outlook over the next few years. However, this does not mean that the braking force from high interest rates is finished. Central banks are mindful that inflation risks remain elevated because of structural changes in the global economy. Venture Ontario will continue to monitor the venture ecosystem, and coordinate with the Ontario Financing Authority in the risk management of its financial operations.

As of March 31, 2024, approximately 71% of the Agency's committed capital has been deployed.

⁴ Multiple of capital as calculated is net of underlying fund manager fees, expenses and carried interest, but before Venture Ontario's operating costs.

During fiscal 2023-24, targets related to Venture Ontario’s business operations and investment portfolio were previously set in the Agency’s annual business plan and the following results were achieved from April 1, 2023 to March 31, 2024:

Venture Ontario’s Business Operations:

Objective	Performance Measures	Targets Set in Previous Plan	Results Achieved Fiscal 2023-24
<ul style="list-style-type: none"> Ensure Venture Ontario’s business operations are managed efficiently and effectively, including its limited partnership interests and the remaining OETF direct co-investments. 	<ul style="list-style-type: none"> Venture Ontario’s adjusted operating expenses (net of any reimbursements received and impairment charges) as a percentage of committed capital to investment funds. Legislative requirements met. Compliance attestation submitted to the Ministry annually to confirm that Venture Ontario is in substantial compliance with all applicable government directives and policies. 	<ul style="list-style-type: none"> Adjusted operating expenses as a percentage of committed capital to be no more than 0.75%, which is at the mid-point of 0.50%-1.0% in management fees typically charged by fund-of-funds. Annual business plan and annual report submitted on March 1 and within 120 days after its fiscal year end respectively. Compliance attestation submitted to the Ministry by prescribed deadline. 	<ul style="list-style-type: none"> Adjusted operating expenses as a percentage of committed capital was 0.4%⁵ for the 12-months ended March 31, 2024. Annual business plan and annual report submitted by the required deadline. Compliance attestation submitted to the Ministry by the required deadline.

⁵ This value is for the 12-months ended March 31, 2024 and is based on the latest audited financial statements.

Objective	Performance Measures	Targets Set in Previous Plan	Results Achieved Fiscal 2023-24
<ul style="list-style-type: none"> Ensure continuity of business services. 	<ul style="list-style-type: none"> % of employee turnover. Internal procedures manual is revised and updated annually. Business continuity plan is provided to the Ministry annually. Detailed risk assessment chart is provided to the Ministry twice a year. 	<ul style="list-style-type: none"> No more than 15% employee turnover annually. Annual update of internal procedures manual completed. Annual update of business continuity plan completed. Semi-annual updates of risk assessment (in March and September) completed. 	<ul style="list-style-type: none"> Two staff members are currently on secondment, representing a 25% annual employee turnover; however, Venture Ontario was able to successfully backfill both positions on a temporary basis. Annual update of internal procedures manual completed. Annual update of business continuity plan completed. Semi-annual risk assessments completed and tabled with the Audit & Risk Committee.

Venture Ontario's Investment Portfolio

Objective	Performance Measures	Targets Set in Previous Plan	Results Achieved Fiscal 2023-24
<ul style="list-style-type: none"> Ensure investment portfolio is sufficiently diversified to mitigate financial risks while supporting the Province's venture capital policies. 	<ul style="list-style-type: none"> Number of new strategic fund investments made in alignment with the Province's venture capital policies and the Investment Framework. 	<ul style="list-style-type: none"> A minimum of 3 new fund commitments per fiscal year made across 2-3 target sectors as identified in the Investment Framework, with the number of new fund commitments in future years to be dependent on available remaining capital and the level of fundraising activity in the market. 	<ul style="list-style-type: none"> 3 new fund investment commitments were formally completed in fiscal 2023-24 across target sectors as identified in the Investment Framework.

Objective	Performance Measures	Targets Set in Previous Plan	Results Achieved Fiscal 2023-24
<ul style="list-style-type: none"> Maintain a positive net multiple of capital across Venture Ontario's investment portfolio. 	<ul style="list-style-type: none"> Aggregate net multiple of capital for Venture Ontario investment portfolio. 	<ul style="list-style-type: none"> Maintain net multiple of capital of at least 1.20x. 	<ul style="list-style-type: none"> 1.46x net multiple of capital as at March 31, 2024.⁶
<ul style="list-style-type: none"> Track portfolio activity quarterly and report annually on key performance indicators. 	<ul style="list-style-type: none"> Obtain key performance indicators and other relevant metrics from the fund managers on a quarterly or annual basis subject to each investment's respective partnership agreement; review and ensure adherence to limited partnership agreements; and gather market intelligence with respect to fund commitments/ investments. 	<ul style="list-style-type: none"> On a quarterly basis, portfolio summaries including activity and financial summaries are received. Annually, key performance indicators are included with the quarterly portfolio summaries from each fund manager. 	<ul style="list-style-type: none"> Portfolio summaries and annual key performance indicators received from each fund manager.
<ul style="list-style-type: none"> Respond to capital calls from externally-managed funds by the required deadlines. 	<ul style="list-style-type: none"> Percentage of capital calls are met by the required deadlines. 	<ul style="list-style-type: none"> Substantially all (95% or more) capital calls are met by the deadlines set by the fund manager. 	<ul style="list-style-type: none"> Substantially all capital calls have been met by the required deadlines.

⁶ Multiple of capital represents the return to Venture Ontario before the agency's expenses.

Objective	Performance Measures	Targets Set in Previous Plan	Results Achieved Fiscal 2023-24
<ul style="list-style-type: none"> Develop key relationships and networks (with VC fund managers, technology companies, institutional investors, VC associations, angel investor associations, and innovation-focused organizations) to gather market intelligence for potential investments and venture capital public policies. 	<ul style="list-style-type: none"> Number of meetings with potential investors, fund managers, and other venture capital stakeholders. 	<ul style="list-style-type: none"> Engaging with a minimum of 12 fund managers per year that are actively fundraising and seeking an investment commitment from Venture Ontario. Hold a minimum 50 meetings per year with other key relationships and networks. 	<ul style="list-style-type: none"> Engaged with over 40 active fund managers. Minimum target of 50 meetings with other key relationships and networks was achieved.

Venture Ontario has committed approximately \$475 million to Ontario-based/Ontario-focused fund managers and start-up companies, up from \$442 million compared to last year. Venture Ontario’s venture capital initiatives, together with third-party capital, have collectively made available over \$5.5 billion to venture capital fund managers and companies in Canada. Through Venture Ontario’s investments, Ontario portfolio companies currently employ over 10,000 people and have cumulatively recorded approximately \$15 billion in revenues and \$4 billion in R&D expenditures.⁷

⁷ Revenues and R&D expenditures are reported as of December 31, 2023 have been aggregated across Venture Ontario’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.

Key Initiatives and Results Achieved

For this section, please note for the following:

- Revenues and R&D expenditures have been aggregated across Venture Ontario's portfolio since inception and reported to Venture Ontario as of calendar year-end. As individual fund managers may co-invest in syndicate, the aggregated figures may overstate these metrics due to potential double counting.
- As Venture Ontario's underlying portfolio exits investments or invests in new opportunities, annual impact drivers, such as employment or revenue generation, will increase or decrease accordingly. Therefore, an increase or decrease from a prior year cannot solely be attributed to investment performance.
- For each fund, values related to revenues, R&D expenditures and employment are as of December 31, as reported by the fund manager.
- All dollar figures provided are in Canadian dollars unless otherwise stated. A detailed list of Venture Ontario's investment portfolio can be found in Note 6 "Investments in Limited Partnerships" of the notes to the financial statements.
- During the fiscal year, Venture Ontario managed and continued to oversee its limited partnership interest in each portfolio fund, including responding to capital calls issued by the fund manager in a timely manner.

Ontario Emerging Technologies Fund

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

Through its role as a market catalyst, a key measure of OETF's success is in leveraging third party capital through its co-investments. Capital committed by OETF and the capital it leveraged from co-investors, provided over 500 million to Ontario companies.

OETF's portfolio of companies were well represented and dispersed throughout the major urban centers of southern Ontario. Throughout their lifecycle, the OETF portfolio cumulatively recorded over \$1 billion in revenues, \$470 million in R&D expenditures and supported over 1,250 full-time careers.

Ontario Venture Capital Fund LP

Ontario Venture Capital Fund (OVCF) is a \$205 million fund-of-funds, in which Venture Ontario invested \$90 million. OVCF was focused on investing into Ontario-based venture capital funds, with discretionary direct co-investments into Ontario-based companies. OVCF is fully committed.

OVCF 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.

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. The fund's Ontario-based portfolio companies have cumulatively recorded approximately \$6 billion in revenues, \$1.2 billion in R&D expenditures and employ over 1,600 people.

Northleaf Venture Catalyst Fund LP

The Northleaf Venture Catalyst Fund LP (NVCF) is a \$300 million fund-of-funds, in which Venture Ontario invested \$50 million. NVCF was focused on investing into Canadian venture capital funds, with discretionary direct co-investments into Ontario/Canada-based companies. NVCF is fully committed, with reserves are being held for additional follow-on financing to direct co-investments as warranted.

NVCF 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 technology companies including Ontario-based ecobee, Wattpad and FreshBooks. During the fiscal year, Venture Ontario 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. The fund's Ontario-based portfolio companies have recorded over \$5.8 billion in revenues, \$1.4 billion in R&D expenditures and employ over 1,650 people.

ScaleUp Venture Fund I LP

The ScaleUp Venture Fund I LP (SUVF I) is a \$106 million fund, in which Venture Ontario made an investment commitment of \$25 million. SUVF I 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. SUVF I is fully committed, with reserves held for follow-on financing.

The fund has invested a total of approximately \$100 million to 28 companies. This includes investments in 17 Ontario-based early-stage technology companies, totaling approximately \$44 million.

Capital committed by SUVF I and the capital it has leveraged from third parties, has collectively provided over \$300 million to Ontario companies. The fund's Ontario-based portfolio companies have recorded approximately \$689 million in revenues, \$216 million in R&D expenditures and employ over 1,100 people.

Yaletown Innovation Growth LP

Yaletown Innovation Growth LP (IGF I) is a \$128 million fund, in which Venture Ontario has made an investment commitment of \$20 million and is managed by Yaletown Partners Inc. (Yaletown). Yaletown is focused on assisting Canadian technology companies to scale and become market leaders. Investments target emerging growth companies across Canada focused on enhancing sustainability and productivity in the cleantech, intelligent industry and intelligent enterprise sectors. IGF I is fully committed, with reserves held for follow-on financing.

The fund has investment a total of approximately \$95 million to 12 companies. This includes 3 Ontario-based companies, totaling approximately \$27.5 million.

Capital committed by IGF I and the capital it has leveraged from third parties, has collectively provided approximately \$143 million to Ontario companies. The fund's Ontario-based portfolio companies have recorded approximately \$72 million in revenues, \$67 million in R&D expenditures and employ over 480 people.

Lumira Ventures III LP

Lumira Ventures III LP (Lumira III) is a \$179 million fund, in which Venture Ontario made an investment commitment of \$23 million and is managed by Lumira Capital Investment Management Inc. (Lumira). Lumira focuses on transformative biopharmaceutical, medical device and digital health companies located in Ontario, Canada and North America. The company is an engaged partner that supports the management teams of companies that it invests in to build products that have the potential to allow people to lead fundamentally healthier, longer and more productive lives. Lumira III is fully committed, with reserves held for follow-on financing.

The fund has invested a total of approximately \$146 million to 18 companies. This includes 5 Ontario-based companies, totaling approximately \$23 million.

Capital committed by Lumira III and the capital it has leveraged from third parties, has collectively provided approximately \$510 million to Ontario companies. Lumira's Ontario-based portfolio companies have recorded approximately \$490 million in revenues, \$320 million in R&D expenditures and employ 270 people.

Genesys Ventures III LP

Genesys Ventures III LP (Genesys III) is a \$107 million fund, in which Venture Ontario made an investment commitment of \$17 million and is managed by Genesys Capital Management (Fund III) Inc. (Genesys). 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. Genesys III is fully committed, with reserves held for follow-on financing.

The fund has invested a total of approximately \$78 million to 11 companies. This includes 6 Ontario-based companies, totaling approximately \$47.5 million.

Capital committed by Genesys III and the capital it has leveraged from third parties, has collectively provided approximately \$780 million to Ontario companies. The fund's Ontario-based portfolio companies have recorded approximately \$47 million in revenues, \$235 million in R&D expenditures and employ 285 people.

Amplitude Ventures Fund I LP

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

The fund has invested a total of approximately \$125 million to 15 companies. This includes 4 Ontario-based companies, totaling approximately \$39 million.

Capital committed by Amplitude I and the capital it has leveraged from third parties, has collectively provided approximately \$430 million to Ontario companies. The fund's Ontario-based portfolio companies have recorded approximately \$27 million in revenues, \$107 million in R&D expenditures and employ 421 people.

Yaletown Innovation Growth II LP

Yaletown Innovation Growth II LP (IGF II) is a \$200 million fund in which Venture Ontario has made an investment commitment of \$13 million. IGF II follows and will build on the success of Yaletown's Innovation Growth Fund I (IGF I), which closed in 2018. Yaletown's IGF II is a pan-Canadian platform, focused on enabling and driving digital transformation and dedicated to closing the scale-up capital gap. The fund will finance and support the disruption and modernization of traditional industries through the application of data and technologies, including machine learning, artificial intelligence, software-defined systems and the Industrial Internet of Things (IIoT).

During the fiscal year, the fund made 5 new investments. The fund has invested a total of approximately \$75 million to 13 companies. This includes 2 Ontario-based companies, totaling approximately \$30 million.

Capital committed by Yaletown II and the capital it has leveraged from third parties, has collectively provided approximately \$176 million to Ontario companies. The fund's Ontario-based portfolio companies have recorded approximately \$214 million in revenues, \$150 million in R&D expenditures and employ 840 people.

Lumira Ventures IV LP

Lumira Ventures IV LP (Lumira IV), a \$220 million USD fund in which Venture Ontario has made an investment commitment of \$11.7 million, invests using a thematically driven, impact focused, multi-stage strategy with the goal of partnering with mission-driven entrepreneurs and like-minded investors to build innovative healthcare companies. Lumira IV focuses on companies harnessing rapidly evolving innovations in genomics, cell therapy, gene therapy, bioengineering, robotics and artificial intelligence to develop high impact, often transformative products for patients.

During the fiscal year, the fund made 3 new investments. The fund has invested a total of approximately \$110 million to 15 companies.

Whitecap Venture Partners V LP

Whitecap Venture Partners V LP (Whitecap V) is a \$140 million fund in which Venture Ontario made an investment commitment of \$10 million. The fund is managed by Whitecap Venture Partners, a Toronto based early-stage venture capital firm with a track record spanning over three decades that focuses on seed and series A opportunities in Canada and the US.

During the fiscal year, the fund made 1 new investment. The fund has invested a total of approximately \$57 million to 9 companies. This includes 4 Ontario-based companies, totaling approximately \$26 million.

Capital committed by Whitecap V and the capital it has leveraged from third parties, has collectively provided approximately \$79 million to Ontario companies. The fund's Ontario-based portfolio companies have recorded approximately \$8 million in revenues, \$8 million in R&D expenditures and employ 119 people.

Maverix Growth Equity Fund I LP

Maverix Growth Equity Fund I LP (Maverix I), is a \$368M USD fund in which Venture Ontario has made a \$15 million USD investment commitment. Maverix I is managed by Maverix Growth Equity GP, a Toronto-based fund focused on growth equity investments in North American companies focused on technology-enabled disruption in the financial services; health & wellness; transportation & logistics; work, live, play & learn; and retail sectors.

During the fiscal year, the fund made 1 new investment in an Ontario-based company. The fund has invested a total of approximately \$146 million to 3 Ontario-based companies.

Capital committed by Maverix I and the capital it has leveraged from third parties, has collectively provided approximately \$480 million to Ontario companies. The fund's Ontario-based portfolio companies have recorded over \$350 million in revenues, \$50 million in R&D expenditures and employ 800 people.

Climate Innovation Fund I LP

Climate Innovation Fund I LP (CIC I), in which Venture Ontario has made a \$5 million USD investment commitment, is managed by Climate Innovation Capital Fund I GP Inc. CIC I is a Toronto-based growth equity fund that invests in entrepreneurs with climate technologies and businesses that have the potential to deliver significant financial returns and the greatest carbon reductions in the shortest period of time.

During the fiscal year, the fund made 3 new investments. The fund has invested a total of approximately \$65 million to 8 companies.

Panache Ventures Investment Fund II 2022 L.P.

Panache Ventures Investment Fund II 2022 LP (Panache II), a \$100 million fund in which Venture Ontario has made an investment commitment of \$7.5 million, is managed by Panache II GP Inc., a venture capital firm specializing in pre-seed and seed stage startup investments.

During the fiscal year, the fund made 8 new investments, including 4 Ontario-based companies. The fund has invested a total of approximately \$16 million to 26 companies. This includes 10 Ontario-based companies, totaling approximately \$6.5 million.

Capital committed by Panache II and the capital it has leveraged from third parties, has collectively provided approximately \$70 million to Ontario companies. The fund's Ontario-based portfolio companies have recorded approximately \$1 million in revenues, \$4 million in R&D expenditures and employ 207 people.

Amplitude Ventures Fund II

Amplitude Ventures Fund II (Amplitude II) is a \$192 million USD fund in which Venture Ontario has made a \$11.5 million USD investment commitment. The fund is managed by Amplitude Ventures GP II Inc., with offices in Toronto, Montreal, and Vancouver. Amplitude II makes investments in early to growth stage investments in primarily Canadian precision medicine companies, specifically in the areas of 1) cellular and targeted therapy and 2) AI and applied machine learning including both therapy and devices.

During the fiscal year, the fund made 4 new investments. The fund has invested a total of approximately \$42 million to 5 companies.

Northleaf Growth Fund

Northleaf Growth Fund (NGF), in which Venture Ontario has made a \$10 million USD investment commitment, is managed by Northleaf Growth Fund GP Ltd. (Northleaf), a Toronto headquartered global private markets investment firm focused on mid-market companies and assets. With \$20B in capital commitments raised, Northleaf has an established track record as a principal investor in private equity (including venture capital), private credit and infrastructure globally.

During the fiscal year, the fund made 4 new investments. The fund has invested a total of approximately \$78 million to 11 companies, including 2 Ontario-based companies.

Other Investments

Recent Venture Ontario investments, which include Brightspark Canadian Opportunities Fund II, Genesys Ventures IV, and Luge Investment Fund II, are actively investing but do not have sufficient activity to aggregate results at this time.

Development of Ontario's Venture Capital Ecosystem

In fiscal 2023-24, Venture Ontario supported the development of Ontario's venture capital ecosystem by:

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

Venture Ontario also took an active role in industry events, such as speaking and/or participating at the:

- Canadian Fintech Summit;
- Bloom Burton & Co Healthcare Investor Conference;
- CVCA Invest Canada 2023;
- Collision Venture 2023;
- Collision Toronto 2023;
- Toronto World Economic Forum;
- IPON Summit;
- OBIO Investor Summit;
- AGRI Tech Venture Forum;
- CIX;
- ESG & Sustainable Investing Forum;
- Women's Private Capital Summit;
- Innovation and Resilience Forum; and
- Private Markets Canada.

Such events are essential to building and maintaining strong relationships with other investors, thought leaders, and subject matter experts, who interact with the sector and companies at various stages of their lifecycle. The stronger these relationships are, the more effectively Venture Ontario 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 technology companies.

With experience in both direct investments into companies and investments into venture capital funds, Venture Ontario shares its feedback, perspectives, and observations through proactive outreach to venture capital fund managers, as well as new and established Ontario-based companies. This outreach includes "Ask the Investor" sessions at industry conferences and responding to direct inquiries to Venture Ontario or via the Ministry. It also includes providing feedback in areas such as fundraising, investment thesis, and other relevant matters to help fund managers further define and advance their value proposition. Venture Ontario plans to continue its strategic engagement with stakeholders over the coming years.

March 31, 2024

FINANCIAL STATEMENTS

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Venture Ontario (formerly Ontario Capital Growth Corporation) 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, 2024.

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 Venture Ontario's financial statements fairly represent the Corporation'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"

Steve Romanyshyn, President & CEO

Independent Auditor's Report

To the Board of Directors of
Venture Ontario

Opinion

We have audited the financial statements of Venture Ontario, which comprise the statement of financial position as at March 31, 2024, 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 Venture Ontario as at March 31, 2024, 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 Venture Ontario 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 Venture Ontario'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 Venture Ontario or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Venture Ontario'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 Venture Ontario'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 Venture Ontario'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 Venture Ontario to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 25, 2024

Venture Ontario
Statement of financial position

As at March 31, 2024

(Amounts in Canadian dollars)

	Notes	2024 \$	2023 \$
Financial assets			
Cash and cash equivalents		87,698,737	81,508,040
Marketable securities	4	284,939,044	279,573,225
Accounts receivable	5	1,606,456	708,111
Investment in limited partnerships	6	163,534,874	145,729,264
Ontario Emerging Technologies Fund – OETF	7 and 8	1,312,500	1,312,500
		539,091,611	508,831,140
Liabilities			
Accounts payable and accrued liabilities	12	1,968,105	379,272
Net financial assets		537,123,506	508,451,868
Non financial assets	14	—	—
Accumulated surplus		537,123,506	508,451,868
Contractual commitments	11		
Accumulated surplus is comprised of			
Accumulated operating surplus		536,547,810	507,792,024
Accumulated remeasurement gains		575,696	659,844
		537,123,506	508,451,868

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

Approved by the Board


_____, Director

Leslie Lewis Westhaver
_____, Director

Venture Ontario

Statement of operations and changes in accumulated operating surplus

Year ended March 31, 2024

(Amounts in Canadian dollars)

	Notes	Budget \$	2024 Actual \$	2023 Actual \$
Revenue				
Interest income		13,109,616	17,267,932	9,116,596
Investment income on distribution from				
NVCF		—	7,534	—
NGF		—	24,584	—
Yaletown I		—	—	156,388
Genesys III		—	—	23,977
Lumira III		—	48,472	—
Amplitude II		—	2,140	—
Panache		—	697	—
Realized capital gain on OETF investments		—	19,505	7,079,678
Capital gain on distribution from				
NVCF		—	1,112,063	—
OVCF		—	1,960,433	—
SUVF		2,703,761	2,807,098	1,253,900
Yaletown I		—	75,401	4,534,499
Lumira III		(749,901)	(1,563,244)	186,015
Genesys III		7,653,618	8,817,999	54,384
Amplitude		—	191,719	—
Lumira IV		(101,512)	(473,593)	30,658
Expression of Interest expense recovery from funds				
Prior period		3,835	3,835	—
Current period		—	—	22,494
Foreign exchange (loss) gain	3	(1,460,976)	51,680	5,096,833
		21,158,441	30,354,255	27,555,422
Expenses				
Reimbursements to the Ministry	12	1,239,332	1,067,357	1,119,700
Cash management fees	11	152,441	24,847	29,022
Professional services fees	11	772,470	387,502	431,070
Board and committee member expenses		4,957	5,192	3,757
Bad debt expense		—	113,571	828,881
Impairment of OETF portfolio investments	10	—	—	991,756
Impairment of limited partnership investments		—	—	3,268,502
		2,169,200	1,598,469	6,672,688
Annual surplus		18,989,241	28,755,786	20,882,734
Accumulated operating surplus, beginning of year		507,792,024	507,792,024	486,909,290
Accumulated operating surplus, end of year		526,781,265	536,547,810	507,792,024

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

Venture Ontario**Statement of remeasurement gains and losses**

Year ended March 31, 2024

(Amounts in Canadian dollars)

	Budget	2024	2023
	\$	Actual	Actual
		\$	\$
Accumulated remeasurement gains (losses), beginning of year	659,844	659,844	(60,073)
Unrealized (losses) gains attributable to Foreign exchange	(10,444)	463	137,220
Marketable securities	—	(84,611)	108,105
OETF portfolio investments	—	—	474,592
	(10,444)	(84,148)	719,917
Accumulated remeasurement gains, end of year	649,400	575,696	659,844

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

Venture Ontario

Statement of change in net financial assets

Year ended March 31, 2024

(Amounts in Canadian dollars)

	Budget	2024	2023
	\$	\$	Actual
			\$
Annual surplus	18,989,241	28,755,786	20,882,734
Net remeasurement (losses) gains	(10,444)	(84,148)	719,917
Increase in net financial assets	18,978,797	28,671,638	21,602,651
Net financial assets, beginning of year	508,451,868	508,451,868	486,849,217
Net financial assets, end of year	527,430,665	537,123,506	508,451,868

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

Venture Ontario
Statement of cash flows
Year ended March 31, 2024
(Amounts in Canadian dollars)

	2024 \$	2023 \$
Operating transactions		
Annual surplus	28,755,786	20,882,734
Impairment of OETF portfolio investments	—	991,756
Impairment of limited partnership investments	—	3,268,502
Realized gains on sale of OETF investments	(19,505)	(7,079,678)
Realized gains on distributions from limited partnerships	(12,927,876)	(6,059,456)
Interest income	(17,267,932)	(9,116,596)
Changes in non-cash operating balances		
Accounts receivable	(898,345)	775,484
Accounts payable and accrued liabilities	1,588,833	(232,608)
Interest received	16,154,081	5,339,000
	15,385,042	8,769,138
Investing transactions		
Proceeds from disposal and redemptions of marketable securities	521,831,500	533,663,157
Purchase of marketable securities	(526,168,079)	(518,769,893)
Proceeds from investments in limited partnerships	12,927,876	4,774,898
Purchase of investments in limited partnerships	(34,322,157)	(19,883,896)
Return of capital from limited partnerships	16,516,547	5,204,702
Sale of investments in OETF	—	454,746
Purchase of investments in OETF	—	118,210
Release of holdback for OETF	19,968	—
	(9,194,345)	5,561,924
Increase in cash and cash equivalents during the year	6,190,697	14,331,062
Cash and cash equivalents, beginning of year	81,508,040	67,176,978
Cash and cash equivalents, end of year	87,698,737	81,508,040
Composition of cash and cash equivalents		
Cash	87,698,737	81,508,040
Cash equivalents	—	—
	87,698,737	81,508,040

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

Venture Ontario

Notes to the financial statements

March 31, 2024

(Amounts in Canadian dollars)

1. Description of business

Venture Ontario (VO 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, 2024, VO 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

Venture Ontario

Notes to the financial statements

March 31, 2024

(Amounts in Canadian dollars)

1. Description of business (continued)

As of March 31, 2024, the Corporation has venture capital investments outstanding in nineteen funds: (1) the Ontario Venture Capital Fund LP - OVCF; (2) the Northleaf Venture Catalyst Fund LP - NVCF; (3) the ScaleUP Venture Fund I LP - SUVF; (4) the Yaletown Innovation Growth I LP - Yaletown I; (5) the Lumira Ventures III LP - Lumira III; (6) the Genesys Ventures III LP - Genesys III; (7) the Amplitude Ventures I LP - Amplitude I; (8) the Lumira Ventures IV - LP Lumira IV; (9) the Yaletown Innovation Growth II LP - Yaletown II; (10) the Whitecap Venture Partners V LP - Whitecap V; (11) the Panache Ventures Investment Fund II 2022 LP - Panache II; (12) the Maverix Growth Equity Fund I, LP - Maverix I; (13) the Climate Innovation Capital Fund I LP - CIC I; (14) the Northleaf Growth Fund (Canada) LP - NGF, (15) the Amplitude Ventures II LP - Amplitude II; (16) Brightspark Canadian Opportunities Fund II LP - Brightspark II; (17) Genesys Ventures IV LP - Genesys IV; (18) Luge Investment Fund II LP - Luge II, and (19) the Ontario Emerging Technologies Fund - OETF, respectively.

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

VO 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, VO can claim government rebates of the Harmonized Sales Tax (HST). Under the pay-and-rebate model, VO pays the HST on taxable supplies and services, and subsequently applies for a rebate of the HST paid.

The Province of Ontario has classified VO 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.

Venture Ontario
Notes to the financial statements

March 31, 2024

(Amounts in Canadian dollars)

2. Summary of significant accounting policies (continued)

Investments in limited partnerships

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

Ontario Emerging Technologies Fund (OETF)

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

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

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

Venture Ontario

Notes to the financial statements

March 31, 2024

(Amounts in Canadian dollars)

2. Summary of significant accounting policies (continued)

Fair value and impairment (continued)

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

Revenue recognition

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

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.

Revenue on distributions from the limited partnership investments 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.

VO 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. The funding is recognized when received. CEF refers to the Cleantech Equity Fund initiative, which the Corporation made an investment commitment of \$20 million to Yaletown I. LSVCF refers to the Life Science Venture Capital Fund initiative, which the Corporation made investment commitments of \$23 million to Lumira III, \$17 million to Genesys III and \$10 million to Amplitude. VOF refers to the Venture Ontario Fund initiative, which the Corporation to date made investment commitments of US\$11.7 million to Lumira IV, \$13 million to Yaletown II, \$10 million to Whitecap V, \$7.5 million to Panache II, US\$15 million to Maverix I, US\$5 million to CIC I, US\$10 million to NGF, US\$11.5 million to Amplitude II, \$10 million to Brightspark II, \$10 million to Genesys IV, and \$12 million to Luge II.

Venture Ontario
Notes to the financial statements

March 31, 2024

(Amounts in Canadian dollars)

2. Summary of significant accounting policies (continued)

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. 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 VO 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.

Measurement uncertainty

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

3. Financial instruments

The Corporation has exposure to credit risk, liquidity risk, currency risk, interest rate risk and other price risk arising from financial instruments. This note presents information about VO'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 considers obligations of the Governments of Ontario and Canada to be relatively risk-free (Note 4).

Venture Ontario

Notes to the financial statements

March 31, 2024

(Amounts in Canadian dollars)

3. Financial instruments (continued)

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. VO does not hedge its US dollar exposure. The Corporation had a net exposure of US\$61,747,162 as at March 31, 2024 (US\$60,085,882 in 2023). A 5% increase (5% decrease) of the Canadian dollar against the US dollar as at March 31, 2024 would result in an impact of US\$3,087,358 (US\$3,004,294 in 2023) 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.

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, 2024, if the value of the investments in marketable securities, limited partnerships and OETF had increased or decreased by 5% and all other variables held constant, the value of the investments would have changed by \$8,279,438 (\$7,386,108 in 2023). Investments in funds made through limited partnerships 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 VO 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.

Venture Ontario
Notes to the financial statements

March 31, 2024

(Amounts in Canadian dollars)

4. Marketable securities

The Corporation 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 Corporation may receive distributions from its venture capital investments in the form of cash and securities. If the securities are listed for trading on a public exchange, the securities are reclassified as marketable securities.

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

	2024		2023
	Par value	Fair value	
	\$	\$	\$
Province of Ontario treasury bills, due dates ranging from April 17, 2024 to November 27, 2024 average coupon rate of 0.00%	32,641,248	32,623,553	42,529,000 41,936,401
Province of Ontario treasury bills, due dates ranging from April 3, 2024 to September 18, 2024 average coupon rate of 0.00%	252,363,903	252,315,491	239,454,700 237,636,824
	285,005,151	284,939,044	281,983,700 279,573,225

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, 2024, a change in interest rates of 1% would result in an impact of \$2,849,390 (\$2,795,732 in 2023) to the results of operations.

5. Accounts receivable

As a Schedule A provincial agency, VO 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, 2024 amounted to \$2,197 (\$27,718 in 2023).

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 2024, amounted to \$369,297 and remains in escrow for future disbursement (\$482,404 in 2023).

Generac general indemnification expired on December 1, 2022, however, escrow is being held pending resolution of an ongoing patent infringement litigation. It is unknown when the release of funds will occur. Generac special indemnification will expire on December 1, 2024. Generac expense fund has no set date of release at the time of issuance of these statements.

In addition, Venture Ontario is party to an escrow of \$106,680 (\$106,680 in 2023) from Genesys Ventures III LP pending no adjustments. Venture Ontario is also party to an earnout consideration of \$91,309 (\$91,309 in 2023) from Genesys Ventures III LP pending no adjustments.

Venture Ontario
Notes to the financial statements

March 31, 2024

(Amounts in Canadian dollars)

6. Investments in limited partnerships

The Corporation is an investor in eighteen (fifteen in 2022) limited partnerships. Capital commitments are flowed to the limited partnerships in amounts and at times determined by the respective general partner in order to meet the partnership's funding requirements. Distributions from the limited partnerships are flowed in amounts and at times determined by the respective general partner. Some distributions may be subject to recall provisions of the respective limited partnership agreement. Venture capital investments have a long-term investment time horizon and are deemed to be non-current assets. The Corporation's investments in limited partnership as at March 31, 2024 are as follows:

Limited Partnership	Total commitment \$	Remaining uncalled commitment \$	2024 Cost of investments* \$	2023 Cost of investments* \$
Ontario Venture Capital Fund LP - OVCF	90,000,000	900,537	7,494,358	8,695,954
Northleaf Venture Catalyst Fund LP - NVCF	50,000,000	—	47,831,297	50,000,000
ScaleUP Venture Fund I LP - SUVF	25,000,000	2,782,614	22,217,386	22,310,477
Yaletown Innovation Growth I LP - Yaletown I	20,000,000	3,400,000	13,972,234	12,372,234
Lumira Ventures III LP - Lumira III	23,000,000	501,882	16,862,260	21,951,179
Genesys Ventures III LP - Genesys III	17,000,000	2,913,849	9,289,276	7,839,471
Amplitude Ventures I LP - Amplitude I	10,000,000	3,360,342	6,713,030	4,757,533
Lumira Ventures IV LP - Lumira IV (Note 1)	15,853,500	7,366,291	7,103,093	5,350,979
Yaletown Innovation Growth II LP - Yaletown II	13,000,000	7,280,000	5,720,000	2,860,000
Whitecap Venture Partners V LP - Whitecap V	10,000,000	5,757,197	4,242,802	1,909,438
Panache Ventures Investment Fund II 2022 LP- Panache II	7,500,000	5,265,280	2,234,720	1,500,000
Maverix Growth Equity Fund I, LP - Maverix I (Note 1)	20,325,000	12,195,000	8,013,296	3,980,396
Climate Innovation Capital Fund I LP - CIC I (Note 1)	6,775,000	2,962,474	3,761,678	2,201,603
Northleaf Growth Fund LP - NGF (Note 1)	13,550,000	10,162,500	3,388,604	—
Amplitude Ventures II LP - Amplitude II (Note 1)	15,582,500	12,945,602	2,629,688	—
Brightspark Canadian Opportunities Fund II LP - Brightspark II (Note 1)	10,000,000	8,623,743	1,395,539	—
Genesys Ventures IV LP - Genesys IV (Note 1)	10,000,000	9,334,387	665,613	—
Luge Investment Fund II, LP - Luge II (Note 1)	12,000,000	12,000,000	—	—
	369,586,000	107,751,698	163,534,874	145,729,264

* Cost of investments represents aggregate funds flowed to partnership less distributions of return of capital from the partnership and any impairment charges.

Note 1: Commitments payable in US dollars. Uncalled commitments based on the exchange rate at March 31, 2024.

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.

Venture Ontario
Notes to the financial statements

March 31, 2024

(Amounts in Canadian dollars)

8. Investments in OETF

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

	Acquisition cost*	Carrying value	2024 Contingent**	Acquisition cost*	Carrying value	2023 Contingent**
	\$	\$	\$	\$	\$	\$
CAD investments	1,687,500	1,312,500	—	1,687,500	1,312,500	—

* 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, 2024, the OETF investment portfolio consisted of investment in 1 company, at 0.26% (1 company at 0.26% in 2023) of net assets. The percentage calculations exclude impaired investments in companies with a nominal or nil carrying value.

61,592 (61,592 in 2023) shares of Peraso Inc. are currently held in escrow for VO from the Peraso Inc. transaction. The value of these shares is not included in the OETF investments as the restrictions on these shares are such that the value may not be realized. Due to the uncertainty of realization, income from these shares will be reported when released from escrow.

9. Income on investment in OETF

For the year ended March 31, 2024, the Corporation recognized nil (nil income in 2023) of investment income in OETF.

10. Impairment of OETF investments

For the year ended March 31, 2024, no impairment charges (\$991,756 in 2023) in OETF investments were identified by management and were recognized in the statement of operations and changes in accumulated operating surplus.

11. Contractual commitments

VO has the following contractual commitments, in addition to the investment commitments made to the various limited partnerships under note 6:

- In accordance with a financial service agreement between the OFA and VO, OFA conducts investment and cash management services and activities for VO. OFA is the agency of the Province of Ontario responsible for providing financial and centralized cash management services for the government. VO pays OFA a fee for these services based on assets under management and reimburses for other related activities on a cost recovery basis.
- In accordance with the contract between LP Analyst and VO, 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. VO pays both fixed and hourly rates for these services and activities, respectively.

Venture Ontario

Notes to the financial statements

March 31, 2024

(Amounts in Canadian dollars)

11. Contractual commitments (continued)

- In accordance with the contract between WCO Professional Corporation (WCO) and VO, WCO performs accounting functions relating to the operations of VO. VO pays an hourly rate for these services.

12. 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, 2024 amounted to \$327,511 (\$169,608 in 2023).

The remaining balance as at March 31, 2024 in the amount of \$1,640,594 (\$209,664 in 2023) represents payables in arrears to miscellaneous service providers and limited partners.

13. Related party transactions

As of March 31, 2024, 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.

VO has no tangible capital assets or long-term 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).

VO 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, VO 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, VO 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.

14. 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.

Venture Ontario

Notes to the financial statements

March 31, 2024

(Amounts in Canadian dollars)

15. Subsequent events

Subsequent to the year end, the Corporation committed USD \$11 million to McRock Fund III LP under the Venture Ontario Fund initiative.

CORPORATE GOVERNANCE

Overview

Venture Ontario is an agent of the Crown characterized by the Management Board of Cabinet (MBC) Directive as a board-governed provincial agency. More specifically, Venture Ontario 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, Venture Ontario is not organizationally part of the Ministry of Economic Development, Job Creation and Trade (the Ministry), but it is considered to be within government. Venture Ontario 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 Venture Ontario's fiscal year and make it available to the public.

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

Accountability and Responsibilities

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

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

The Chair is accountable to the Minister for the performance of Venture Ontario in fulfilling its mandate. The Chair is responsible for providing advice and information to the Minister with respect to the operation and affairs of Venture Ontario. In addition, the Chair provides leadership to Venture Ontario. The Deputy Minister of the Ministry ensures organizational capacity in the Ministry to monitor Venture Ontario, 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 Venture Ontario to ensure that Venture Ontario's mandate is fulfilled. The Board is comprised of independent directors. The Board meets at least quarterly and receives regular reports from the President & CEO and Venture Ontario staff concerning the operations of Venture Ontario 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 Venture Ontario:

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

The President & CEO works under the direction of the Chair and the Board and provides regular reports on Venture Ontario'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 Venture Ontario, including the supervision of staff.

Financial Reporting Requirements

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

Internal Controls

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

In meeting its responsibility for the reliability and timeliness of financial information, Venture Ontario 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, Venture Ontario conducts an overall assessment of corporate-wide risks and develops appropriate mitigation strategies.

Operations

Venture Ontario's staffing level of eight full-time employees is lean compared to public sector bodies with similar economic development mandates, such as BDC and Investissement Québec. Given that the Government approved the delivery of the \$300 million Venture Ontario Fund, the agency continues to work with the Ministry to seek approval for additional FTEs and reduce the risk of key staff departures. Therefore, with the on-going lean staffing model and to help ensure prudent operations, Venture Ontario continues to be supported by a limited number of external service providers having specialized knowledge in fund evaluation, as well as audit and accounting services.

MEMBERS OF THE BOARD OF DIRECTORS

Daniel Nowlan, Chair

Date of initial appointment to the Board: August 2021

End of current term: December 2024

Since 2017, Daniel Nowlan has been a Vice Chairman at National Bank Financial. Mr. Nowlan was the Chief of Staff to the Minister of Finance of Canada and led the Federal Budget 2015 process. From 2000 to 2013 Mr. Nowlan held increasingly senior roles at CIBC including Co-Head of Equity Capital Markets and as Vice Chairman Global Investment Banking from 2015-2017. Prior to joining CIBC World Markets in 2000, Mr. Nowlan was in the Investment Banking group at National Bank Financial for four years after serving as a Special Assistant to the Canadian Minister of Industry, Science and Technology and the Minister for International Trade. Mr. Nowlan also worked as a Special Assistant to the Minister of Human Resources and Labour. Mr. Nowlan holds a Bachelor of Commerce degree from Mount Allison University and a Master of Business Administration from the Richard Ivey School of Business at the University of Western Ontario.

Leslie Lewis Westhaver, Vice Chair

Date of initial appointment to the Board: January 2021

End of current term: February 2025

Leslie Lewis Westhaver is a financial strategy executive and former private equity investor. She is the Chief Financial Officer of Q4 Inc. Prior to joining Q4, Ms. Lewis Westhaver served as Chief Financial Officer at Avanti Software and led corporate finance at PowerSchool, where she played a leading role in the company's IPO on the NYSE. Leslie's private equity experience includes roles at Onex Corporation and Ontario Teachers' Pension Plan after beginning her career in investment banking at CIBC. Leslie has also served as the Tax, Trade, and International Finance Policy Advisor to the Canadian Minister of Finance at the Government of Canada. Leslie is a former Canadian national team athlete in kayaking and she holds a business honours degree from Acadia University.

Leslie's community involvement includes her appointments to the Board of Directors of the Workplace Safety & Insurance Board, Venture Ontario, and the Toronto Pan Am Sports Centre. Leslie has also received the ICD.D designation from the Institute of Corporate Directors.

Elsbeth Murray, Member

Date of initial appointment to the Board: April 2018

End of current term: April 2027

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.

Vikram Khurana, Member

Date of initial appointment to the Board: July 2020

End of current term: July 2026

Vikram (Vik) Khurana is currently the Chair of Toronto Business Development Centre (TBDC) – a leading business incubator that has been locally, nationally, and globally recognized for its efforts in nurturing the growth of new and emerging businesses in Ontario. Additionally, Vikram serves as the Chief Executive Officer of Brampton BHive, an incubator for international start-ups, in partnership with the City of Brampton and its Innovation District.

Vik serves on various Board of Directors including Ontario Lottery and Gaming Commission and serves as a Trustee at the Canada Post Community Foundation. He is a serial entrepreneur and has founded several multinational businesses including Prudential Consulting, Inc. and Leading System Consultants, and has advised start-ups, Small and Medium Enterprises, and multinational organizations in various capacities.

Vik has served on the Board of Directors of Export Development Canada, FinDev Canada, the Dean's Council of Ted Rogers School of Management at Ryerson University, the Technical Standards and Safety Authority, Asia Pacific Foundation of Canada and the Advisory Board of the Indo Canada Chamber of Commerce. He has also invested in a variety of start-ups as an Angel investor. He was an honorary member of the Board of Governors at Mount Sinai Hospital Foundation in Toronto.

He was awarded the Queen's Diamond Jubilee Medal for his work in the community as a fundraiser and for disaster relief.

Bryan Smith, Member

Date of initial appointment to the Board: August 2020

End of current term: August 2026

Bryan Smith is the Co-Founder and CEO of ThinkData Works, a Toronto-based technology company that enables data processing and refinement for governments, banks, and corporate clients across Canada and globally. Previously, Mr. Smith served as Senior Policy Advisor to the President of the Treasury Board of Canada, where he helped implement the Government's "Value for Money Ethic", leading to over \$7B in annual savings. Mr. Smith holds a B.A. from Wilfrid Laurier University.

Richard Robarts, Member

Date of initial appointment to the Board: February 2021

End of current term: February 2027

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

Thomas Mathews, Member

Date of initial appointment to the Board: October 2021

End of current term: October 2024

Thomas Mathews is a bilingual lawyer based in Toronto, practicing civil, commercial, and criminal litigation. He is a member of the Bars of Ontario and Quebec and represents clients in both provinces. Mr. Mathews previously served on the board of the Quebec-India Business Council. Passionate about public affairs, he enjoys writing on political and business issues, and has been published in both national and local newspapers. A native of Ancaster, Ontario, Mr. Mathews is a graduate of McMaster University's Arts & Science Program and holds law degrees from Université Laval and the University of Ottawa. He is a member of the Bay Street Rugby Football Club.

Board Remuneration

The total remuneration paid to board members in fiscal 2023-24 was \$ 5,075 and the breakdown is as follows.

Appointee	Total Annual Remuneration	Per Diem Remuneration Rate
Leslie Lewis Westhaver, Vice-Chair	\$ 2,575.00	\$ 250.00
Vikram Khurana, Member	\$ 1,000.00	\$ 200.00
Thomas Mathews, Member	\$ 1,500.00	\$ 200.00
Total	\$ 5,075.00	Not applicable

RISK MANAGEMENT POLICIES AND PROCEDURES

As part of its annual business plan, Venture Ontario conducts an overall assessment of corporate-wide risks and develops appropriate mitigation strategies. Venture Ontario’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 Venture Ontario’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 Venture Ontario’s annual business plan, a detailed 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 2024-25

The most recent agency mandate letter identified several government-wide priorities for all agencies⁸, as well as specific priorities for Venture Ontario. For fiscal 2024-25, Venture Ontario will focus on the following strategic directions:

- Managing its investment portfolio and business operations in a prudent and cost-effective manner using self-generated revenue to cover operations.
- Supporting the development of Ontario's venture capital ecosystem and strategically investing in venture capital funds while maintaining its high rate of net positive returns to the Province.
- Ensuring that Venture Ontario Fund investments are consistent with the Agency's Investment Framework and aligned with current priorities of the Province, including but not limited to the commercialization and protection of intellectual property in Ontario and support for growth-oriented venture funds critical to Ontario firms reaching international prominence.
- Working alongside Invest Ontario to align investment attraction efforts to support the growth of both local venture capital funds and companies.⁹

CONTACT INFORMATION

For general inquiries and information, please contact Venture Ontario 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 ventureontario@ontario.ca.

⁸ As agencies are expected to act in the best interests of Ontarians by being efficient, effective, and providing value for money to taxpayers, government-wide priorities include (1) competitiveness, sustainability and expenditure management; (2) transparency and accountability; (3) risk management; (4) workforce/labour management; (5) diversity and inclusion; (6) data collection, sharing and use; and (7) digital delivery and customer services.

⁹ Note that Invest Ontario is an investment attraction agency that primarily provides business support programs, such as loans, grants, wage subsidies, and tax credits, whereas Venture Ontario focuses on making investments in Ontario-based/Ontario-focused fund managers and start-up companies. Venture Ontario looks forward to working collaboratively with Invest Ontario on areas of mutual interest.