



**Venture  
Ontario**

## **2025-2028 Business Plan**

Original Executed by: "Vic Fedeli"

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Signature

The Honourable Vic Fedeli  
Minister of Economic Development, Job Creation and Trade

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Date

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## 1.0 Executive Summary

The annual business plan for Venture Ontario maps out the agency's strategic direction and upcoming activities for the next three fiscal years.

Management Board of Cabinet ("MBC") categorizes Venture Ontario as a "board-governed agency". Board-governed agencies are able to carry on as a business and conduct operations in support of their mandates. Such agencies are also required to submit their annual business plan to their responsible Minister no later than 30 calendar days before the beginning of the provincial agency's fiscal year for approval (for Venture Ontario, by March 1). As such, results included in this business plan do not cover the entire 2024-2025 fiscal year<sup>1</sup> and will instead be reported as of the date of submission.

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 Province's 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.

Venture Ontario has committed approximately \$500 million to Ontario-based/Ontario-focused fund managers and start-up companies, up from \$475 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.<sup>2</sup>

Compared to traditional economic development programs (e.g. grants, loans and tax credits), Venture Ontario's investments in venture capital funds have proven to be an effective tool to create the next generation of high quality, high paying jobs in Ontario, with little to no cost to government. Venture Ontario's investments are intended to ultimately generate net positive returns to the Province and capture the full economic benefits of such investments (e.g. jobs, tax revenues, etc).

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<sup>1</sup> Venture Ontario's fiscal 2024-2025 is April 1, 2024 to March 31, 2025.

<sup>2</sup> Revenues and R&D expenditures are reported as of the date of this report (as provided by the fund managers and if available) and 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.

Access to venture capital is critical to the success of small Ontario businesses, playing a key role in their development, until such time that they can access additional sources of financing, such as loans and other debt instruments. Venture Ontario also supports Ontario technology companies by assisting in the development of Ontario-based fund managers and investment professionals. This helps to ensure that there is local talent capable of identifying world-class entrepreneurs and technologies, with the necessary experience to guide these companies in scaling up their operations and ultimately to a profitable exit.

A strong venture capital infrastructure and investment climate are needed to build and retain globally competitive companies in Ontario, rather than “seeding” the companies which are later forced to relocate (e.g. to the U.S.) to access larger, more available pools of capital and global markets. High potential, Ontario-based companies require access to capital for all stages of development, as well as top-tier fund managers who are able to provide expertise in scaling and monetizing technologies.

The development of a long-term, sustainable venture capital industry in Ontario, will in turn help strengthen Ontario’s economy and create job opportunities in key economic sectors of the province. Through its investments, Venture Ontario provides Ontario’s leading technology entrepreneurs with much needed capital that may otherwise not be available to them, so that they can bring new discoveries to market, and help them to achieve the scale necessary to realize their full economic potential.

With portfolio diversification across a sizable number of funds and companies to mitigate financial risks, Venture Ontario provides a market-focused means to help develop small businesses and to better capture the associated economic benefits over the long term, including the creation of high quality, high paying jobs for the people of Ontario.

Over the next three years, Venture Ontario will continue to deliver on its mandate, while also engaging the Ministry and the Ontario government on possible follow-up initiatives, so that Venture Ontario can continue to provide much needed access to capital to high-potential, Ontario-based technology companies.

## 2.0 Highlights of Fiscal 2024-25 Results to Date

Strategic directions for fiscal 2024-25 were aligned with the agency mandate letter for fiscal 2024-25 and focused on the following:

- 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 investing in venture capital funds, while maintaining Venture Ontario's high rate of net positive returns to the Province;
- Ensuring that Venture Ontario Fund and Venture Ontario Fund II investments are consistent with Venture Ontario's 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. 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.

In support of the strategic directions, corporate activities have been grouped into two categories: (1) Venture Ontario's business operations and (2) Venture Ontario's investment portfolio.

Objectives, performance measures and specific targets were set for each of these categories. An overview of results achieved for specific targets can be found in Section 10.

### Venture Ontario's Business Operations

The agency is substantially meeting all 2024-25 targets related to the objectives set out for Venture Ontario's business operations, which included:

- Ensuring Venture Ontario's business operations are managed efficiently and effectively, including its limited partnership interests in externally-managed funds and the remaining OETF direct co-investments; and
- Ensuring continuity of business services.

## Venture Ontario's Investment Portfolio

Venture Ontario is substantially meeting all 2024-25 targets related to the objectives set out for Venture Ontario's investment portfolio, which included:

- Ensuring its investment portfolio is sufficiently diversified to mitigate financial risks while supporting the Province's venture capital policies;
- Maintaining a positive net multiple of capital across its investment portfolio;
- Tracking portfolio activity quarterly and reporting annually on key performance indicators;
- Responding to all capital calls from externally-managed funds by the required deadline; and
- Developing 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 that will support better investment decisions and the development of venture capital public policies.

Below is a summary of results for Venture Ontario's investment portfolio to date and activities related to supporting the development of the Ontario venture capital ecosystem. For those funds that are actively investing but without sufficient activity at this time to aggregate results and preserve confidentiality, results are expected to be included in a future reporting cycle once available.

A complete list of Venture Ontario's investments can be found in Appendix B.

Please note that:

- As individual fund managers may co-invest in syndicate, the aggregated figures may overstate these metrics and may not be mutually exclusive.
- As Venture Ontario's underlying portfolio companies exit a fund that Venture Ontario has invested in or as Venture Ontario invests in new opportunities (i.e., investments in new funds with underlying portfolio companies), annual impact drivers, such as employment, 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 the date of this report (as provided by the fund managers and if available).
- Data is provided to Venture Ontario by external fund managers as available and aggregated as of the date of submission. Data is regularly updated and subject to change. All figures are in Canadian dollars unless otherwise noted.

Ontario Emerging Technologies Fund (“OETF”) Results:

- Investments:
  - Committed a total of approximately \$105 million to 27 Ontario-based companies
- Leverage on investments:
  - Approximately \$3.5 of third-party capital for every \$1 of OETF capital invested

OETF portfolio companies have cumulatively recorded to date:

- \$1 billion in revenues; and
- \$450 million in R&D expenditures;

Ontario Venture Capital Fund (“OVCF”) Results:

- Investments:
  - 9 commitments to Ontario-based/focused funds; and
  - 7 direct co-investments into Ontario-based companies.
- Leverage on investments:
  - Approximately \$5 in third party capital for every \$1 of OVCF capital invested.
- Capital committed by OVCF, together with third party capital, have collectively provided over \$1 billion to Ontario-based/focused funds and companies.

OVCF Ontario-based portfolio companies have cumulatively recorded:

- \$5.5 billion in revenues;
- \$1.2 billion in R&D expenditures; and
- Employ over 2,600 people.

Northleaf Venture Capital Fund (“NVCF”) Results:

- Investments:
  - 15 fund commitments; and
  - 12 direct co-investments into Canadian companies.
- Leverage on investments:
  - Approximately \$7.5 in third party capital for every \$1 of NVCF capital invested.
- Capital committed by NVCF, together with third party capital, have collectively provided over \$2 billion to funds and companies with a Canada/Ontario presence.

NVCF Ontario-based portfolio companies have cumulatively recorded:

- \$4.9 billion in revenues;
- \$1.3 billion in R&D expenditures; and
- Employ over 4,880 people.

ScaleUp Venture Fund I (“SUVF I”) Results:

- Investments:
  - 28 direct co-investments, including 17 Ontario-based companies totalling approximately \$45 million.
- Leverage on investments:
  - Approximately \$7.8 in third party capital for every \$1 of SUVF I capital invested in Ontario-based companies.
- Capital committed by SUVF, together with third party capital, have collectively provided approximately \$398 million to Ontario companies.

SUVF I Ontario-based portfolio companies have cumulatively recorded:

- \$489 million in revenues;
- \$151 million in R&D expenditures; and
- Employ over 1,104 people.

Yaletown Innovation Growth Fund I (“IGF I”) Results:

- Investments:
  - 3 direct co-investments into Ontario-based companies totalling approximately \$27.5 million.
- Leverage on investments:
  - Approximately \$4.2 in third party capital for every \$1 of IGF I capital invested in Ontario-based companies.
- Capital committed by IGF I, together with third party capital, have collectively provided approximately \$143 million to Ontario companies.

IGF I Ontario-based portfolio companies have cumulatively recorded:

- \$57 million in revenues;
- \$53 million in R&D expenditures; and
- Employ over 210 people.



Lumira Ventures III LP (“Lumira III”) Results:

- Investments:
  - 5 direct co-investments into Ontario-based companies totalling approximately \$24 million.
- Leverage on investments:
  - Approximately \$20 in third party capital for every \$1 of Lumira capital invested in Ontario-based companies.
- Capital committed by Lumira III, together with third party capital, have collectively provided approximately \$500 million to Ontario companies.

Lumira III Ontario-based portfolio companies have cumulatively recorded:

- \$395 million in revenues;
- \$230 million in R&D expenditures; and
- Employ approximately 229 people.

Genesys Ventures III LP (“Genesys III”) Results:

- Investments:
  - 6 direct co-investments into Ontario-based companies totalling approximately \$47.5 million.
- Leverage on investments:
  - Approximately \$16 in third party capital for every \$1 of Genesys III capital invested in Ontario-based companies.
- Capital committed by Genesys III, together with third party capital, have collectively provided approximately \$815 million to Ontario companies.

Genesys III Ontario-based portfolio companies have cumulatively recorded:

- \$39 million in revenues;
- \$217 million in R&D expenditures; and
- Employ over 257 people.

Amplitude Ventures I LP (“Amplitude I”) Results:

- Investments to date:
  - 4 direct co-investments into Ontario-based companies totalling approximately \$52 million.
- Leverage on investments:
  - Approximately \$10.7 in third party capital for every \$1 of Amplitude I capital invested in Ontario-based companies.

- Capital committed by Amplitude I, together with third party capital, have collectively provided approximately \$500 million to Ontario companies.

Amplitude I Ontario-based portfolio companies have cumulatively recorded:

- \$14 million in revenues;
- \$67 million in R&D expenditures; and
- Employ over 115 people.

Yaletown Innovation Growth Fund II ("IGF II") Results:

- Investments:
  - 2 direct co-investments into Ontario-based companies totalling approximately \$30 million.
- Leverage on investments:
  - Approximately \$5 in third party capital for every \$1 of IGF II capital invested in Ontario-based companies.
- Capital committed by IGF II, together with third party capital, have collectively provided approximately \$180 million to Ontario companies.

IGF II Ontario-based portfolio companies have cumulatively recorded:

- \$107 million in revenues;
- \$150 million in R&D expenditures; and
- Employ over 800 people.

Whitecap Venture Partners V LP ("Whitecap V") Results:

- Investments:
  - 4 direct co-investments into Ontario-based companies totalling approximately \$26 million.
- Leverage on investments:
  - Approximately \$2 in third party capital for every \$1 of Whitecap V capital invested in Ontario-based companies.
- Capital committed by Whitecap V, together with third party capital, have collectively provided approximately \$79 million to Ontario companies.

Whitecap V Ontario-based portfolio companies have cumulatively recorded:

- \$2.4 million in revenues;
- \$1.7 million in R&D expenditures; and
- Employ over 60 people.

Maverix Growth Equity GP (“Maverix”) Results:

- Investments:
  - 3 direct co-investments into Ontario-based companies totalling approximately \$143 million.
- Leverage on investments:
  - Approximately \$2.3 in third party capital for every \$1 of Maverix capital invested in Ontario-based companies.
- Capital committed by Maverix, together with third party capital, have collectively provided approximately \$480 million to Ontario companies.

Maverix Ontario-based portfolio companies have cumulatively recorded:

- \$78 million in revenues;
- \$5 million in R&D expenditures; and
- Employ over 220 people.

Panache II GP Inc. (“Panache”) Results:

- Investments:
  - 12 direct co-investments into Ontario-based companies totalling approximately \$9 million.
- Leverage on investments:
  - Approximately \$20 in third party capital for every \$1 of Panache capital invested in Ontario-based companies.
- Capital committed by Panache, together with third party capital, have collectively provided approximately \$185 million to Ontario companies.

Panache Ontario-based portfolio companies have cumulatively recorded:

- \$1.2 million in R&D expenditures; and
- Employ over 50 people.

The remaining Venture Ontario investments, which include Lumira IV, CIC, Amplitude II, Brightspark II, Genesys IV, Luge II, McRock Fund III and Mistral Venture Partners IV are actively investing, but do not have sufficient Ontario-based company activity at this time to aggregate results and preserve confidentiality. These results are expected to be included in a future reporting cycle once available.

### **Summary of Results Related to Activities Supporting the Development of Ontario's Venture Capital Ecosystem**

Venture Ontario is substantially meeting all 2024-25 targets to support the development of Ontario's venture capital ecosystem, as well as the implementation of the Province's venture capital policies. Activities to support these efforts involve building key relationships and networks to gather market intelligence that will support investment decisions and the development of venture capital public policies.

As of the date of this report, Venture Ontario has participated in a number of important Canadian venture capital and sector-related events and conferences, including:

- Ontario Bioscience Innovation Ontario (OBIO) Investor Summit;
- Canadian Innovation Exchange (CIX);
- Canadian Venture Capital Association (CVCA) Annual Conference;
- Bloom Burton & Co. Healthcare Investor Conference;
- The Future of Transportation and Mobility;
- Women's Private Capital Summit;
- Collision Toronto;
- Elevate Festival Toronto;
- Driving Economic Prosperity with Intellectual Property Summit;
- Private Markets Canada Conference;
- ESG & Sustainable Investing Forum;
- Toronto Region Board of Trade (TRBOT) Manufacturing Symposium;
- Kauffman Fellows Summit; and
- Council of Canadian Innovator's Capital Market Summit.

Venture Ontario's participation at such events and conferences is helping to raise awareness of the agency's mandate and potential investment opportunities in Ontario.

Venture Ontario is also proactively holding discussions with venture capital funds, investors, technology industry thought leaders and subject matter experts to gather critical market intelligence that will help shape appropriate venture capital public policies in the coming years. While continuing to provide advice to the Ministry and the Ontario government on venture capital matters as required, Venture Ontario staff also participated in relevant venture capital organizations, such as serving as board member and chair of the membership committee to the Canadian Venture Capital and Private Equity Association (CVCA)<sup>3</sup>.

In total, Venture Ontario expects to attend about 25 venture capital and related industry events this fiscal year. Such events are essential to building and maintaining strong relationships with other investors, thought leaders, and

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<sup>3</sup> The CVCA is a professional association that brings members together by connecting private capital professionals, facilitating partnerships and enabling connections to foster and knowledge to prosper.

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. By providing feedback in areas such as fundraising, investment thesis, and other relevant matters, Venture Ontario can help fund managers to further define and advance their value proposition. Venture Ontario plans to continue its strategic engagement with stakeholders over the next three years.

### 3.0 Mandate and Governing Legislation

Venture Ontario (or the “Corporation”) was established by the *Venture Ontario Act, 2008* (the “Act”) and performs the following activities:

- (a) Receive, hold, administer and otherwise deals with the interest of the Government of Ontario in the limited partnership known as the Ontario Venture Capital Fund LP;
- (b) Acquire, manage and otherwise deal with the other investments or classes of investments that are prescribed by the regulations;
- (c) Carry out the other objects that are prescribed by the regulations; and
- (d) Receive, hold, invest, sell or otherwise deal with property, whether real or personal, in connection with the objects described in clause (a), (b), or (c).

The Act provides that the Minister may issue policies or directives in writing to Venture Ontario on matters relating to the exercise of its powers or duties, and the Board of Directors of Venture Ontario (the “Board”) shall ensure that such policies and directives are implemented in a timely manner.

Ontario Regulation 278/09 made under the Act (the “Regulation”) prescribes additional duties with respect to investments, which authorizes Venture Ontario to make:

1. Investments in venture capital funds that invest in,
  - i. for-profit businesses, if the venture capital fund’s investments include investments in private businesses, or
  - ii. other venture capital funds that invest in for-profit businesses if the other venture capital fund’s investment includes investments in private businesses.

2. Investments in for-profit businesses that are,
  - i. private businesses<sup>4</sup>, or
  - ii. public businesses<sup>5</sup>, 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.
3. 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.

Under the Regulation, Venture Ontario can also perform other activities to help further develop the Ontario venture capital ecosystem as follows:

  - (a) Develop or participate in conferences or other events regarding venture capital matters;
  - (b) Collect, analyze or distribute information regarding venture capital matters;
  - (c) Provide advice to the Government of Ontario on venture capital matters; and
  - (d) Undertake other activities that are similar or related to the objects described in the bullets above.

The Act, together with Venture Ontario's corporate by-laws and the Memorandum of Understanding (MOU) between the Minister and the Chair of the Board, describe in general terms the way Venture Ontario is to be operated and managed.

Venture Ontario is required to provide its annual report to the Minister within 120 days after the agency's fiscal year end. The annual report is tabled in the Legislature. The financial statements are consolidated with the Public Accounts of Ontario.

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<sup>4</sup> In the regulation, "private business" means a business that is not a public business;

<sup>5</sup> In the regulation, "public business" means a business that lists its securities on a stock exchange.

## **4.0 Overview of Current/Future Initiatives and Implementation Plan: 2025-28**

### **4.1 Current Initiatives**

Venture Ontario is responsible for managing its OETF investment portfolio and its limited partnership interests in externally-managed funds. A list of Venture Ontario's fund portfolio can be found in the Appendix B. For the continued implementation of the Venture Ontario Fund, the agency will seek to meet its minimum of target of 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. Refer to Section 6 below ("2025-28 Strategic Directions and Alignment with Government Priorities") for specific performance measures and targets.

### **4.2 Future Initiatives**

In addition to continuing to make investments under the Venture Ontario Fund, the agency will implement new initiatives as approved by the Province in a cost-effective and efficient manner. As capital is returned from current investments, Venture Ontario will work with the Ministry to develop and implement economic development policies that support Ontario technology companies, which may include, but are not limited to:

- Identifying sectors and stage of growth in the Ontario venture capital market through research, networks and market intelligence; and
- Deploying capital in those areas through strategic investments in fund managers targeting such sectors and stage of growth through the Venture Ontario Fund.

Venture Ontario will also continue to focus on helping to develop a long term, sustainable venture capital industry in Ontario. Venture Ontario will continue to help create an environment where technology companies can thrive, which in turn will help grow Ontario's economy and create job opportunities in key economic sectors of the province. As part of this effort, Venture Ontario will assist the Ministry as required to review better ways to measure the impact of government investment on the venture capital ecosystem.

## **5.0 Environmental Scan: Assessment of Issues Facing Venture Ontario**

### **5.1 External Factors**

The venture capital market in Ontario remained relatively stable throughout 2024, overcoming macroeconomic challenges and adjusting to a constantly evolving marketplace. While early-stage investments held strong, late-stage investments were more cautious. The tech, biotech, and cleantech sectors remain the key areas of focus for investors.

Total venture capital commitments to Ontario companies fell to \$2.5 billion<sup>6</sup> from \$3.2 billion in 2023 marking the third consecutive year over year drop. While not unexpected after the unprecedented investment seen during the pandemic, focus will be on 2025 to determine whether the market eases into a soft landing returning smaller year of year increases or continues to decline below pre-pandemic levels. The \$2.5 billion invested in 2024 sits roughly equal with 2019 levels but represents a marked and continued departure from the highs experienced in 2021 and 2022 owing mainly to macroeconomic conditions including interest rate fluctuations, inflation, and global uncertainty.

Despite reduced investment activity, Ontario's venture capital market continues to be the top jurisdiction in Canada, followed closely by British Columbia (\$2.45 billion), which edged out Quebec driven primarily by the record-breaking investment in Clio accounting for nearly half the provinces investment total. Information and communications technology (ICT) continues to be Ontario's top sector, attracting the bulk of investment dollars at \$1.8 billion (i.e., roughly 75% of total venture investment in 2024). Life science investment captured \$205 million equating to approximately 9% with the balance of investment totals, primarily clean technologies, accounting for the balance.

Financing round size continued to contract in lock step with investment totals suggesting continued investor hesitance during unpredictable market conditions. At \$9.9 million, the average deal size fell 15% year-over-year. A return to smaller investment rounds suggests venture capital firms were more selective, prioritizing companies with a clear path to scaling and profitability rather than speculative or high-risk ventures.

Ontario-based startups continue to have a strong appeal to international investors, specifically US-based firms. In 2024, US investors were present in 35% of deals, Asian investors in 9% of deals and European investors 7%. Such prominence of international investment signals recognition of Ontario's world class technology start-ups and innovation hubs. As the Canadian dollar continues to weaken against the US dollar, Canadian technology companies will be more attractive for potential takeovers. As such, it is expected that mergers and acquisitions (M&A) activity from US firms is expected to significantly increase<sup>7</sup>.

Looking forward, Ontario's venture market is expected to continue to evolve as threats of tariffs and other protectionist measures emerge from the United States exacerbating macroeconomic uncertainty. Upcoming Provincial and Federal elections may also see shifts in domestic policy or existing economic programs. To insulate itself against this economic uncertainty Ontario must remain

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<sup>6</sup> All statistics, figures and data refer to calendar year and are sourced from CVCA unless otherwise noted.

<sup>7</sup> <https://www.theglobeandmail.com/business/commentary/article-canadas-weak-dollar-makes-tech-companies-more-attractive-takeover/>



committed to an emphasis on government-supported innovation, fostering a welcoming and beneficial business environment for emerging local technology companies and continued develop of world class innovation hubs which attract top global talent and critical investment.

### **Economic Outlook**

According to TD Economics<sup>8</sup>, the global economic outlook has changed in light of recent tariff developments announced by the U.S. From Canada's standpoint, provincial and federal government levels are united on fiscal supports and tariff retaliation. However, persistent and unstructured threats from the U.S. will create a sufficient cloud of uncertainty to weaken business investment and reduce trade. As a result, the Canadian outlook is expected to track a meagre 1.3% quarterly pace starting in the spring of 2025 though year end. On the plus side, Canada's labour market is starting 2025 in solid shape, providing a decent foundation to the economy as it navigates this potentially bumpy period. For all of Canada's economic challenges – weak economic growth, poor productivity, and deteriorating housing affordability – the job market has been serving as a pillar of economic stability.

Given continued highly indebted households and weak housing markets across Canada, Ontario is in its second straight year of paltry economic growth and shrinking per capita GDP. Overall output for goods-producing industries will have likely tumbled at its steepest rate since the pandemic in 2024. Manufacturing activity hasn't fared much better amid auto plant closures in Canada and the U.S. for EV retooling. Manufacturing activity will likely gain some traction next year on the back of rising auto production and still-firm U.S. economic growth. However, the potential for U.S. tariffs is a major threat to Ontario's auto sector, and vehicles represent Canada's second largest export to the U.S.

On a per capita basis, household spending has declined more in Ontario than the rest of Canada since interest rates began to climb higher in 2022. In 2025, household spending is advancing at a trend-like 2% pace, supported by falling interest rates and government stimulus measures, including \$3 billion in provincial funds to be doled out to Ontario's households early next year. Preventing an even stronger consumption performance is the likelihood that population growth will slow dramatically next year. Ontario is particularly vulnerable to the federal plan targeting a net outflow of non-permanent residents, given the province's outsized share of these newcomers. Weaker population growth should downwardly pressure labour force gains, leading to a moderate

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<sup>8</sup> TD Economic reports include but not limited to State of the Canadian Job Market and a Lookahead to an Uncertain Future (February 20, 2025); Ontario's Industry-based Outlook: Navigating Turbulent Waters (November 14, 2024) Provincial Economic Forecast (December 16, 2024); and Q&A to Issues Impacting the Economic and Financial Outlook (February 19, 2025).

pull-back in the unemployment rate from its current level next year. Softer population growth will also likely reduce pressure on housing markets through weaker rental demand, weighing on investor appetite for homes. This probably won't be enough to prevent a strong year for Ontario's housing market as falling borrowing costs and loosened federal mortgage rules (enacted this month) unlock significant pent-up demand.

<b>Ontario Economic Forecasts</b> [ Annual average % change, unless otherwise noted ]			
Economic Indicators	2024F	2025F	2026F
Real GDP	1.3	1.5	1.8
Nominal GDP	4.3	3.6	3.9
Employment	1.6	1.3	0.4
Unemployment Rate (%)	6.9	6.9	6.4
Housing Starts (000's)	75.2	70.5	69.04
Existing Home Prices	0.3	6.41	2.7
Home Sales	4.8	22.6	4.1
Source: Statistics Canada, CMHC, CREA, Forecast by TD Economics			

Venture Ontario will continue to risk manage its investment portfolio by diversifying its fund investments, managing incremental changes to risk through new fund commitments, the “pacing” of these investments, and monitoring of underlying portfolio company activities driving fund performance. This will be appropriately balanced with our public policy objectives of building a stronger and more resilient VC ecosystem in Ontario/Canada and continuing to help finance high-potential Ontario-based companies across key strategic sectors. We will closely monitor market risks, the impact of trade tariffs and inflationary pressures, and expansion of fiscal/monetary policies on our investments, and will adjust our investment tactics accordingly to prudently meet our public policy objectives.

## 5.2 Internal Factors

As an agency of the Ontario government, Venture Ontario is required to report on its activities, operations and results, which can be impacted by changes in government directions and policies. Venture Ontario will continue to meet its business objectives while adhering to applicable government-wide directives and reporting requirements.

## 6.0 2025-28 Strategic Directions and Alignment with Government Priorities

Venture Ontario's most recent annual Minister's letter of direction covers fiscal year 2025-26 and was received on October 3, 2024 (please refer to the agency's website at [www.ventureontario.ca](http://www.ventureontario.ca)). The Minister's letter of direction identifies several government-wide commitments for all Board-government agencies, as well as specific priorities for Venture Ontario, which together form the agency's 2025-28 strategic directions.

### **Government-Wide Commitments:**

It is expected that Board-governed agencies will be innovative, sustainable, and accountable in fulfilling their mandate, while acting in the best interests of the people of Ontario and ensure that agencies provide value for money to taxpayers. Given that Venture Ontario is not a client-facing agency, performance measures have been adapted to Venture Ontario's mandate in order to meet the government-wide commitments.

### **Specific Priorities for Venture Ontario:**

The annual letter of direction also listed several priorities specific to Venture Ontario:

- Managing Venture Ontario's 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 Venture Ontario's high rate of net positive returns to the Province;
- Ensuring that investments made through the Venture Ontario Fund and Venture Ontario Fund II are consistent with the Investment Framework, and also ensuring that investments are aligned with current government priorities, 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<sup>9</sup> to align investment attraction efforts to support the growth of local venture capital funds and companies; and,
- Exploring opportunities to align investments with the objectives of Ontario's Life Sciences Strategy: *Taking Life Sciences to the Next Level*, including supporting the growth of life sciences companies and adoption of Ontario-made innovation. Venture Ontario will identify opportunities to work collaboratively with Invest Ontario on areas of mutual interest, such as looking at opportunities to align investments with the objectives of Ontario's Life Sciences Strategy (refer to appropriate performance targets below).

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<sup>9</sup> 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.

Accordingly, Venture Ontario's 2025-2028 strategic directions are aligned with the government commitments and specific priorities listed above. To support the strategic directions, Venture Ontario will focus on the following corporate activities, which have been grouped into two categories: (1) Venture Ontario's business operations and (2) Venture Ontario's investment portfolio. Performance measures and targets have been set accordingly and are outlined in the table below:

### Venture Ontario's Business Operations

Objective	Performance Measures	New Targets
<ul style="list-style-type: none"> <li>Ensure Venture Ontario's business operations are managed efficiently and effectively, including its limited partnership interests in externally-managed funds and the remaining OETF direct co-investments.</li> </ul>	<ul style="list-style-type: none"> <li>Venture Ontario's adjusted operating expenses (net of any reimbursements received and impairment charges) as a percentage of committed capital to investment funds</li> <li>Legislative requirements met.</li> <li>Compliance attestation submitted to the Ministry annually to confirm that Venture Ontario is in substantial compliance with all applicable government directives and policies.</li> <li>Data regarding procurement spending and planning, contract arrangements and vendor relations provided to Supply Ontario in a timely manner.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>Annual business plan and annual report submitted on March 1 and within 120 days after its fiscal year end respectively.</li> <li>Compliance attestation submitted to the Ministry by prescribed deadline.</li> <li>When requested, procurement data submitted to Supply Ontario by the prescribed deadline.</li> </ul>
<ul style="list-style-type: none"> <li>Ensure continuity of business services.</li> </ul>	<ul style="list-style-type: none"> <li>% of employee turnover.</li> <li>Internal procedures manual is revised and updated annually.</li> <li>Business continuity plan is provided to the Ministry annually.</li> <li>Detailed risk assessment chart is provided to the the Ministry twice a year</li> </ul>	<ul style="list-style-type: none"> <li>No more than 15% employee turnover annually.</li> <li>Annual update of internal procedures manual completed.</li> <li>Annual update of business continuity plan completed.</li> <li>Semi-annual updates of detailed risk assessment chart shared with the</li> </ul>

Objective	Performance Measures	New Targets
	and the reporting template on high risks is submitted to the Ministry on a quarterly basis.	Ministry and quarterly reporting template on high risks submitted to the Ministry by the prescribed deadline.

### Venture Ontario's Investment Portfolio

Objective	Performance Measures	New Targets
<ul style="list-style-type: none"> <li>Ensure investment portfolio is sufficiently diversified to mitigate financial risks while supporting the Province's venture capital policies.</li> </ul>	<ul style="list-style-type: none"> <li>Number of new strategic fund investments made in alignment with the Province's venture capital policies and the Investment Framework.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<ul style="list-style-type: none"> <li>Maintain a positive net multiple of capital across Venture Ontario's investment portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>Aggregate net multiple of capital for Venture Ontario investment portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain an average portfolio net multiple of capital of at least 1.20x.</li> </ul>
<ul style="list-style-type: none"> <li>Track portfolio activity quarterly and report annually on key performance indicators.</li> </ul>	<ul style="list-style-type: none"> <li>Obtain key performance indicators and other relevant metrics from the fund managers on a quarterly or annual basis subject to each investments respective partnership agreement; review and ensure adherence to limited partnership agreements; and gather market intelligence with respect to fund commitments/ investments.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>

Objective	Performance Measures	New Targets
<ul style="list-style-type: none"> <li>Respond to capital calls from externally-managed funds by the required deadlines.</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of capital calls are met by the required deadlines.</li> </ul>	<ul style="list-style-type: none"> <li>Substantially all (95% or more) capital calls are met by the deadlines set by the respective fund managers.</li> </ul>
<ul style="list-style-type: none"> <li>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 investment commitments and the development of venture capital public policies.</li> </ul>	<ul style="list-style-type: none"> <li>Number of meetings with potential investors, fund managers, and other venture capital stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Engage with a minimum of 12 fund managers per year that are actively fundraising and seeking an investment commitment from Venture Ontario.</li> <li>Hold a minimum of 50 meetings per year with other key relationships and networks.</li> <li>Hold bi-annual meetings with Invest Ontario to exchange investment attraction strategies, explore partnership opportunities, and discuss issues of mutual importance, such as opportunities to align investments with the objectives of Ontario's Life Sciences Strategy.</li> </ul>

## 7.0 Overview of Corporate Risk Assessment and Management

<b>Risk Factor</b>	<b>Description</b>	<b>Likelihood of Occurrence</b>	<b>Impact if Risk Realized</b>	<b>Mitigation Strategy</b>
Human Resources Risk	Risk that Venture Ontario does not have sufficient staff resources or loses key senior staff to deliver on its mandate.	High	High	Review organizational needs on an annual basis and continue to work with the Ministry to get approval on additional FTEs and to take other corrective action as needed.
Financial Risk	Potential weakness in capital markets could make it more difficult to recoup Venture Ontario investments through exits.	Medium	High	Venture Ontario monitors the performance of its investment portfolio by reviewing quarterly reports provided by the fund managers. Any potentially adverse situation with respect to the portfolio is reviewed and a course of action is developed to best remediate such situation.
Operational Risk	Business continuity risk in the event of disasters or other events.	Medium	Medium	Venture Ontario's business continuity plan is reviewed, updated and approved annually to ensure the agency is prepared for disruption to standard working conditions. Systems, procedures and controls are in place and key staff are adequately prepared to ensure continuity of operations.
Strategic Risk (Policy Changes)	Changes made by the Province to current venture capital policies could result in additional changes to responsibilities for Venture Ontario.	Medium	High	Monitor, assess, and respond to policy development matters in support of the Province's venture capital policies and plans. Provide technical analysis and advice to support the policy process.

## 8.0 Human Resources

Venture Ontario works with the Ministry's Strategic Human Resources Business Unit to implement and maintain the Province's human resources strategies, policies, and practices. Venture Ontario's full-time equivalents ("FTEs") are included as part of the Ministry's overall FTE count. The Ministry's cost of eight (8) Venture Ontario positions and associated overhead are fully recoverable from Venture Ontario. The FTE breakdown is as follows: one position is excluded from collective bargaining, five positions are represented by AMAPCEO, and the remaining two positions are represented by OPSEU. It should be noted that one of the AMAPCEO employees has temporarily been seconded into a management position that is excluded from collective bargaining. All employees are compensated in accordance with Part III of the *Public Service of Ontario Act, 2006* (Ontario) and employees earning more than \$100,000 annually are subject to the *Public Sector Salary Disclosure Act, 1996* (Ontario).

Venture Ontario continues to be capped at a total of eight employees and does not have the authority to hire an adequate level of qualified human resources to undertake a great level of investment activity and an increased volume of oversight and financial reporting activities related to (1) an increased number of investments made, and (2) an increasing amount of government directives, policies and procedures that need to be adhered to. Without more staff, the agency is unable to build in-house capabilities and decrease its reliance on external service providers. As such, the agency is struggling with business continuity issues and cannot ensure adequate succession planning over the upcoming three fiscal years.

For the upcoming fiscal year, Venture Ontario's key human resource priority will be to continue seeking either additional FTEs or the authority to hire staff independently, thereby enabling the agency to build in-house capabilities and ensure business continuity in the event of staff turnover, as well as decrease reliance on external service providers. As of the date of this report, no changes to the current organizational structure are anticipated by the end of the planning period horizon.

Venture Ontario's staffing levels remain 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. With the on-going lean staffing model, 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, to help ensure prudent operations and help mitigate risks.



## 9.0 Communication Plan

As set out in the Memorandum of Understanding between the Minister and Chair of the Board (the “MOU”), Venture Ontario works closely with the Ministry when news releases or announcements are scheduled to be released to the public, including industry stakeholders, in accordance with the MOU’s public communications protocol. Under the MOU, the Deputy Minister of the Ministry of Economic Development, Job Creation and Trade (the “Ministry”) is responsible for ensuring that the Ministry provides communications services to Venture Ontario, including, but not limited to, drafting of news releases related to Venture Ontario’s investments and subject to approval by both the Ministry and Venture Ontario.

As part of its planned communications and outreach activities, Venture Ontario will continue to identify and highlight relevant public and stakeholder communications opportunities to the Ministry that could be included in the Ministry’s communications roll-out plan. Furthermore, as the agency makes investment commitments in venture capital funds, Venture Ontario will continue to participate in fund announcements that are initiated and led by fund managers.

Updates related to Venture Ontario can be found on its website, [www.ventureontario.ca](http://www.ventureontario.ca). The site includes the agency’s annual business plan, annual report and relevant portfolio related information, including new investments and successful exits. Venture Ontario’s annual financial statements are also available in Volume 2 of the Public Accounts of Ontario.

Updates on the externally-managed funds can be found at the following websites.

Externally-Managed Funds	Website
OVCF	<a href="http://www.ovcf.com">www.ovcf.com</a>
NVCF and Northleaf Growth Fund	<a href="http://www.northleafcapital.com">www.northleafcapital.com</a>
SUVF I	<a href="http://www.suv.vc">www.suv.vc</a>
Yaletown IGF I and IGF II	<a href="http://www.yaletown.com">www.yaletown.com</a>
Lumira III and Lumira IV	<a href="http://www.lumiraventures.com">www.lumiraventures.com</a>
Genesys III & Genesys IV	<a href="http://www.genesyscapital.com">www.genesyscapital.com</a>
Amplitude I and Amplitude II	<a href="https://amplitudevc.com/en">https://amplitudevc.com/en</a>
Whitecap V	<a href="https://whitecapvp.com/">https://whitecapvp.com/</a>
Climate Innovation Capital Fund I	<a href="https://climateic.com/">https://climateic.com/</a>
Maverix Growth Equity Fund I	<a href="https://www.maverixpe.com/">https://www.maverixpe.com/</a>
Panache Ventures Investment Fund II	<a href="https://www.panache.vc/">https://www.panache.vc/</a>
Brightspark Canadian Opportunities Fund II	<a href="https://brightspark.com/en">https://brightspark.com/en</a>
Luge Investment Fund II	<a href="https://www.luge.vc/">https://www.luge.vc/</a>
McRock Fund III	<a href="https://www.mcrockcapital.com/">https://www.mcrockcapital.com/</a>
Mistral Venture Partners IV	<a href="https://mistral.vc/">https://mistral.vc/</a>

Venture Ontario responds to inquiries from the public regarding its mandate and responsibilities as required, in a timely manner and in accessible formats as requested.

## **10.0 Overview of 2024-25 Results**

In the agency's mandate letter for fiscal 2024-25, the government included a number of general priorities for all agencies to help ensure that agencies act in the best interests of Ontarians by being efficient, effective, and providing value for money to taxpayers. Accordingly, Venture Ontario conducted its operations in alignment with these priorities, including:

### **1. Competitiveness, Sustainability and Expenditure management**

- Operating within the agency's allocations and within the Board-approved budget.
- Identifying and pursuing high potential investment opportunities, innovative practices and/or improved program sustainability.
- Complying with applicable direction related to accounting practices and supply chain centralization, including leveraging Supply Ontario's bulk purchasing arrangement and working with Supply Ontario on strategic procurement initiatives.
- Complying with realty interim measures for agency office space.
- Leveraging and meeting benchmarked outcomes for compensation strategies and directives.

### **2. Transparency and Accountability**

- Abiding by applicable government directives and policies and ensuring transparency and accountability in reporting
- Adhering to accounting standards and practices, and responding to audit findings, where applicable.
- Identifying appropriate skills, knowledge and experience needed to effectively support the board's role in agency governance and accountability, and providing the Minister with annual skills matrices to ensure the Board has qualified appointees.

### **3. Risk Management**

- Developing and implementing an effective process for the identification, assessment and mitigation of agency risks, including cyber security, and any future emergency risks.

### **4. Workforce/Labour Management**

- Optimizing Venture Ontario's organizational capacity to support the best possible public service delivery, including redeploying resources to priority areas, where needed.
- Supporting the implementation of the Community Jobs Initiative (CJI) by identifying opportunities to relocate new or existing agencies to lower cost

communities across Ontario (as per MBC Realty Directive, s. 5.4), as applicable.

- Aligning Human Resource and Accommodations strategies with OPS directives and policy.
- Adhering to Treasury Board/Management Board of Cabinet (TB/MBC) labour and bargaining mandates.
- Prudently and efficiently managing operational funding and workforce size.

## **5. Diversity and Inclusion**

- Developing and encouraging diversity and inclusion initiatives by promoting an equitable, inclusive, accessible, anti-racist and diverse workplace.
- Adopting an inclusion engagement process to ensure all voices are heard to inform policies and decision-making.

## **6. Data Collection, Sharing and Use**

- Improving how the agency uses data in decision-making, information sharing and reporting, to inform outcome-based reporting and improve service delivery.
- Increasing data sharing with Supply Ontario when applicable regarding procurement spending and planning, contract arrangements and vendor relations to support data-driven decision-making.

## **7. Digital Delivery and Customer Service**

- Exploring and implementing digitization for online service delivery to ensure customer service standards are met.
- Using a variety of approaches or tools to ensure service delivery in all situations.

As of the date of this report, Venture Ontario is substantially on track to meet its fiscal 2024-25 targets (i.e. from April 1, 2024 to March 31, 2025):

### Venture Ontario's Business Operations

Objective	Performance Measures	Targets Set in Previous Business Plan	Results
<ul style="list-style-type: none"> <li>Ensure Venture Ontario's business operations are managed efficiently and effectively, including its limited partnership interests in externally-managed funds and the remaining OETF direct co-investments.</li> </ul>	<ul style="list-style-type: none"> <li>Venture Ontario's adjusted operating expenses (net of any reimbursements received and impairment charges) as a percentage of committed capital to investment funds.</li> <li>Legislative requirements met.</li> <li>Compliance attestation submitted to the Ministry annually to confirm that Venture Ontario is in substantial compliance with all applicable government directives and policies.</li> </ul>	<ul style="list-style-type: none"> <li>Given that the number of investment commitments are expected to increase significantly over the next few years owing to the Venture Ontario Fund, 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.</li> <li>Annual business plan and annual report submitted on March 1 and within 120 days after its</li> </ul>	<ul style="list-style-type: none"> <li>Adjusted operating expenses as a percentage of committed capital was 0.402%<sup>10</sup>.</li> <li>Annual business plan and annual report submitted by the required deadline.</li> <li>Compliance attestation submitted to the Ministry by the required deadline.</li> </ul>

<sup>10</sup> This value is for the twelve months ended March 31, 2024 and is based on the latest audited financial statements.

Objective	Performance Measures	Targets Set in Previous Business Plan	Results
		fiscal year end respectively. • Compliance attestation submitted to the Ministry by prescribed deadline.	
• Ensure continuity of business services.	• % 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.	• 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.	• While two staff member are currently on secondment, which represents a 25% annual employee turnover, both positions have been successfully backfilled 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 Measure	Targets Set in Previous Plan	Results
<ul style="list-style-type: none"> <li>Ensure investment portfolio is sufficiently diversified to mitigate financial risks while supporting the Province's venture capital policies.</li> </ul>	<ul style="list-style-type: none"> <li>Number of new strategic fund investments made in alignment with the Province's venture capital policies and the Investment Framework.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>3 new fund commitments were formally made as of the date of this report made in alignment with the Investment Framework.</li> </ul>
<ul style="list-style-type: none"> <li>Maintain a positive net multiple of capital across Venture Ontario's investment portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>Aggregate net multiple of capital for Venture Ontario investment portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain net multiple of capital of at least 1.20x.</li> </ul>	<ul style="list-style-type: none"> <li>Net multiple of capital of 1.46x as at March 31, 2024.<sup>11</sup></li> </ul>
<ul style="list-style-type: none"> <li>Track portfolio activity quarterly and report annually on key performance indicators.</li> </ul>	<ul style="list-style-type: none"> <li>Obtain key performance indicators and other relevant metrics from the fund managers on a quarterly or annual basis</li> </ul>	<ul style="list-style-type: none"> <li>On a quarterly basis, portfolio summaries including activity and financial summaries are received.</li> </ul>	<ul style="list-style-type: none"> <li>Portfolio summaries and annual key performance indicators received from each fund manager.</li> </ul>

<sup>11</sup> Multiple of capital represents the return to Venture Ontario before the agency's expenses

Objective	Performance Measure	Targets Set in Previous Plan	Results
	subject to each investments respective partnership agreement; review and ensure adherence to limited partnership agreements; and gather market intelligence with respect to fund commitments/ investments.	Annually, key performance indicators are included with the quarterly portfolio summaries from each fund manager.	
<ul style="list-style-type: none"> <li>Respond to capital calls from externally-managed funds by the required deadlines.</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of capital calls are met by the required deadlines.</li> </ul>	<ul style="list-style-type: none"> <li>Substantially all (95% or more) capital calls met by the deadline specified by the fund manager.</li> </ul>	<ul style="list-style-type: none"> <li>Substantially all capital calls have been met by the required deadlines.</li> </ul>
<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Number of meetings with potential investors, fund managers, and other venture capital stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Engaging with a minimum of 12 fund managers per year that are actively fundraising and seeking an investment commitment from Venture Ontario.</li> <li>Hold a minimum 50 meetings per year with other key relationships and networks</li> </ul>	<ul style="list-style-type: none"> <li>Engaged with over 40 active fund managers</li> <li>Minimum target of 50 meetings with other key relationships and networks, including Invest Ontario, was achieved.</li> </ul>

### **11.0 Inventory of Artificial Intelligence (AI) Use Cases**

Government directives and policies requires Venture Ontario to provide an inventory of the agency's artificial intelligence (AI) use cases; however, there are no cases to report at this time.

### **12.0 Initiatives Involving Third Parties**

As described in the business plan, Venture Ontario has several active relationships with third parties for the purpose of delivering on its mandate. Services provided by third parties include investment due diligence, web support, accounting/bookkeeping and external audit. Such services are retained and contracted in compliance with the government's procurement directive.



## **Appendix A: Financials**

### **Proposed Operating Expenditures, Projected Revenues & Funding Requirements**

Venture Ontario is a Board-governed provincial agency. It has a legislated requirement to issue audited financial statements for the fiscal year, which are approved by its Board of Directors and to formally submit these to the Minister within 120 days after the end of every fiscal year. The financial statements summarize Venture Ontario's revenue and expenditures and are tabled in the Legislature once approved by the Minister. The statements are also included in the Public Accounts of Ontario. Venture Ontario's financial results are consolidated with those of the Province for Public Accounts and Budget purposes.

Venture Ontario's annual business plan sets out the operating expenditures and revenues of the agency in the past fiscal year with a forecast over the next three fiscal periods, as well as the corresponding projection for the Statements of Financial Position<sup>12</sup>.

**Note:** For the Statement of Operations & Changes in Accumulated Operating Surplus, no speculations are taken with respect to investment income in funds, gains/(losses) in funds, impairment in funds or foreign exchange gains/(losses) subsequent to the year ending March 31, 2025. The values of these financial assets are held constant only for budgeting purposes.

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<sup>12</sup> These statements are consistent with Public Sector Accounting Standards.

Table 1:

<b>Statements of Operating Expenditures</b>	Actual results for the initial 6 months of fiscal	Forecast for 12 months of fiscal	Forecast for the fiscal years ending March 31st		
			-----		
All figures are unaudited (\$,000)	2024-25	2024-25	2025-26	2026-27	2027-28
<b>Shared operating costs with the Ministry:</b>					
Salaries & wages	360	870	1,241	1,291	1,343
Benefits	52	122	180	195	203
Transportation & communications	11	16	22	23	24
Services	130	50	68	71	74
Accommodations	-	105	110	116	121
Supplies & equipment	1	2	3	3	3
<b>Total reimbursements to the Ministry</b>	<b>554</b>	<b>1,165</b>	<b>1,624</b>	<b>1,699</b>	<b>1,768</b>
<b>Other direct operating expenses:</b>					
Cash management fees	18	39	38	28	21
Professional services fees <sup>13</sup>	106	547	604	639	547
Board and committee member expenses	4	5	5	5	6
Bad debt expenses	321	321	-	-	-
<b>Total ODOE</b>	<b>449</b>	<b>912</b>	<b>647</b>	<b>672</b>	<b>574</b>
<b>Total direct operating expenses</b>	<b>1,003</b>	<b>2,077</b>	<b>2,271</b>	<b>2,371</b>	<b>2,342</b>

<sup>13</sup> Professional services fees includes external service providers having specialized investment knowledge in fund evaluation, direct co-investment and fund-of-fund investments, as well as audit, bookkeeping and legal services.

Table 2:

<b>Statements of Operations &amp; Changes in Accumulated Operating Surplus</b>	Actual results for the initial 6 months of fiscal 2024-25	Forecast for 12 months of fiscal 2024-25	Forecast for the fiscal years ending March 31st		
			-----		
All figures are unaudited (\$,000)	2024-25	2024-25	2025-26	2026-27	2027-28
<b>Revenues:</b>					
EOI expense recovery	-	-	-	-	-
Interest income	9,434	16,320	10,000	8,000	6,000
Net realized gains/(losses) on sale of investments in funds	13,518	12,044	n/a	n/a	n/a
Foreign currency exchange Gains/(loss)	(170)	593	n/a	n/a	n/a
	22,782	28,957	10,000	8,000	6,000
<b>Expenditures:</b>					
Reimbursement to the Ministry	554	1,165	1,624	1,699	1,768
Cash management fees	18	39	38	28	21
Professional services fees	106	547	604	639	547
Board & Committee fees	4	5	5	5	6
Bad debt expenses	321	321	-	-	-
	1,003	2,077	2,271	2,371	2,342
Operating surplus for the period	21,779	26,880	7,729	5,629	3,658
Accumulated operating surplus - beginning	536,548	536,548	563,428	571,157	576,786
<b>Accumulated operating surplus - ending</b>	<b>558,327</b>	<b>563,428</b>	<b>571,157</b>	<b>576,786</b>	<b>580,444</b>

Table 3:

<b>Statements of Financial Position</b>	Actual results for the initial 6 months of fiscal 2024-25	Forecast for 12 months of fiscal 2024-25	Forecast for the fiscal years ending March 31st		
			-----		
All figures are unaudited (\$,000)			2025-26	2026-27	2027-28
<b>Financial assets:</b>					
Cash and cash equivalents	103,508	25,219	24,948	25,577	25,235
Marketable securities	286,453	358,338	331,246	313,620	299,222
Accounts receivable	141	2	2	2	2
Ontario Emerging Technologies Fund	1,313	1,313	1,313	1,313	1,313
Investments in limited partnerships	168,225	179,533	214,625	237,251	255,649
	559,640	564,405	572,134	577,763	581,421
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	736	400	400	400	400
Accumulated surplus	558,904	564,005	571,734	577,363	581,021
<b>Accumulated surplus is comprised of:</b>					
Accumulated operating surplus	558,327	563,428	571,157	576,786	580,444
Accumulated remeasurement gains	577	577	577	577	577
	558,904	564,005	571,734	577,363	581,021

## Appendix B: List of Venture Ontario's Investment Portfolio

Venture Ontario has made investment commitments to the funds listed below, which are either fully committed or in their active investment period:

Fund	Fund Manager	Vintage Year	Fund Structure	Investment Sector	Total Fund Size	Venture Ontario Investment Commitment
OETF	Venture Ontario	2009	Direct investment into companies	Clean technology, life sciences and advanced health technologies, digital media and information and communications technology sectors	\$105M	\$105M
OVCF	Northleaf Capital Partners Ltd.	2008	Fund-of-funds <sup>14</sup>	Generalist	\$205M	\$90M
NVCF	Northleaf Capital Partners Ltd.	2014	Fund-of-funds <sup>15</sup>	Generalist	\$300M	\$50M
SUVF I	ScaleUP Venture Partners, Inc.	2016	Direct investment into companies	ICT	\$106M	\$25M
IGF I	Yaletown Partners Inc.	2017	Direct investment into companies	ICT/cleantech	\$128M	\$20M

<sup>14</sup> OVCF primarily invested in other VC funds, with discretionary direct co-investments into Ontario-based companies

<sup>15</sup> NVCF primarily invested in other VC funds, with discretionary direct co-investments into Ontario/Canada-based companies

<b>Fund</b>	<b>Fund Manager</b>	<b>Vintage Year</b>	<b>Fund Structure</b>	<b>Investment Sector</b>	<b>Total Fund Size</b>	<b>Venture Ontario Investment Commitment</b>
Lumira III	Lumira Capital Investment Management Inc.	2017	Direct investment into companies	Life sciences	\$179M	\$23M
Genesys III	Genesys Capital Management (Fund III) Inc.	2016	Direct investment into companies	Life sciences	\$107M	\$17M
Amplitude I	Amplitude Venture	2019	Direct investment into companies	Life sciences	\$200M	\$10M
IGF II	Yaletown Partners Inc.	2021	Direct investment into companies	ICT/cleantech	\$130M	\$13M
Lumira IV	Lumira Capital Investment Management Inc.	2021	Direct investment into companies	Life sciences	\$220M USD	\$11.7M USD
Whitecap V	Whitecap Management V Inc.	2021	Direct investment into companies	Generalist	\$140M	\$10M
Maverix	Maverix Growth Equity GP	2021	Direct investment into companies	Generalist	\$368M USD	\$15M USD
CIC	Climate Innovation Capital Fund I GP Inc.	2022	Direct investment into companies	Cleantech	Not Disclosed	\$5M USD

<b>Fund</b>	<b>Fund Manager</b>	<b>Vintage Year</b>	<b>Fund Structure</b>	<b>Investment Sector</b>	<b>Total Fund Size</b>	<b>Venture Ontario Investment Commitment</b>
Panache	Panache II GP Inc.	2022	Direct investment into companies	ICT	\$100M	\$7.5M
Amplitude II	Amplitude Ventures GP II Inc.	2023	Direct investment into companies	Cleantech	Not Disclosed	\$11.5M USD
Northleaf Growth Fund	Northleaf Growth Fund GP Ltd.	2023	Direct investment into companies	ICT	Not Disclosed	\$10M USD
Brightspark	Brightspark Canadian Opportunities Fund II LP	2023	Direct investment into companies	ICT	Not Disclosed	\$10M
Genesys	Genesys Venture IV Limited Partnership IV Ltd.	2023	Direct investment into companies	Life Sciences	Not Disclosed	\$10M
Luge	Luge Investment Fund II, LP	2023	Direct investment into companies	ICT	\$71M (First Close)	\$12M
McRock III	McRock Fund III LP	2024	Direct investment into companies	ICT	\$81M USD	\$11M USD
Mistral IV	Mistral Venture Partners IV LP	2024	Direct investment into companies	ICT	\$45M	\$5M

## **Appendix C: Corporate Governance**

### **Minister**

Each year, the Minister of Economic Development, Job Creation and Trade (the “Minister”) is required to table Venture Ontario’s annual report in the Legislature. In addition, the Minister reviews and approves Venture Ontario’s annual business plan. The Minister also maintains communications with Venture Ontario through its Chair, regarding government policies and issues relevant to Venture Ontario.

### **Chair**

The Chair is accountable to the Minister for Venture Ontario’s performance in fulfilling its mandate. The Chair is responsible for providing advice and information to the Minister with regard to Venture Ontario’s operations and affairs. In addition, the Chair provides leadership to Venture Ontario.

### **Board of Directors**

The Board of Directors of Venture Ontario (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, overseeing the management of Venture Ontario’s business and affairs to ensure 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 and Chief Executive Officer and Venture Ontario staff concerning the agency’s operations and its compliance with applicable laws and policies. Standards of conduct for Board members are set out in the Board-approved Code of Conduct.

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

### **Audit and Risk Committee**

The Audit and Risk Committee 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 Audit and Risk Committee is to review Venture Ontario’s major risks and mitigation strategies.



**Governance and Human Resources Committee**

The Governance and Human Resources Committee assists the Board in (1) matters related to Venture Ontario governance structures and practices and (2) reviewing human resources programs and practices of Venture Ontario related to compensation, performance evaluation, and training.

**President and Chief Executive Officer**

Under the *Venture Ontario Act, 2008* (the “Act”), the President and Chief Executive Officer (the “CEO”) is employed under Part III of the *Public Service of Ontario Act, 2006* (“PSOA”) and is appointed by the Board. The CEO is accountable to the Board for:

- Managing and administering Venture Ontario;
- Supervising Venture Ontario staff; and
- Carrying out the roles and responsibilities assigned by the Board, the Act and applicable government directives.

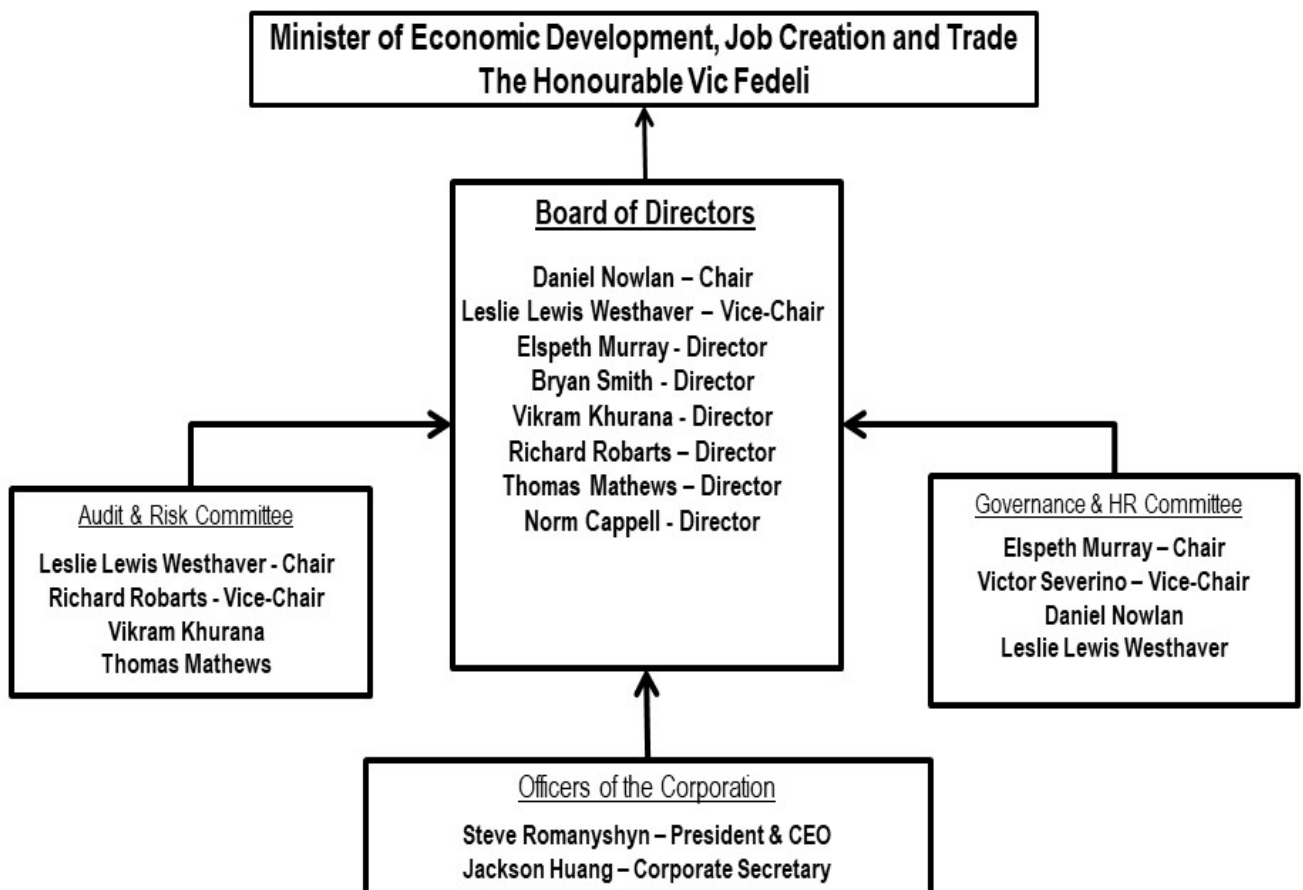
The CEO works under the direction of the Chair and the Board to implement policy and operational decisions. The CEO reports the agency’s performance results to the Board, directly or through the Chair.

**Employees**

All employees of Venture Ontario are civil servants employed under Part III of the PSOA. Venture Ontario’s business operations are carried out by staff under the supervision of the CEO.

## Appendix D: Organizational Chart

### Venture Ontario Organizational Chart<sup>16</sup>



<sup>16</sup> Updated as of Feb.25, 2025