



Ontario Capital Growth Corporation 2021-22 Annual Report

July 2022

TABLE OF CONTENTS

ABOUT ONTARIO CAPITAL GROWTH CORPORATION	3
MESSAGE FROM THE BOARD AND PRESIDENT & CEO	4
MANAGEMENT'S DISCUSSION AND ANALYSIS	6
Ontario Venture Capital Market in 2021	6
Key Initiatives and Results in Fiscal 2021-22	7
Results Achieved	10
Key Initiatives	10
Development of Ontario's Venture Capital Ecosystem	16
FINANCIAL STATEMENTS	17
Management's Responsibility for Financial Reporting	17
Independent Auditor's Report	18
Statement of Financial Position	21
Statement of Operations and Changes in Accumulated	22
Statement of Remeasurement Gains and Losses	23
Statement of Change in Net Financial Assets	24
Statement of Cash Flows	25
Notes to the Financial Statements	26
CORPORATE GOVERNANCE	39
Overview	39
Accountability and Responsibilities	39
Financial Reporting Requirements	40
Internal Controls	41
Operations	41
MEMBERS OF THE BOARD OF DIRECTORS	42
RISK MANAGEMENT POLICIES AND PROCEDURES	45
OUTLOOK FOR FISCAL 2022-23	46
CONTACT INFORMATION	46

ABOUT ONTARIO CAPITAL GROWTH CORPORATION

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

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

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

MESSAGE FROM THE BOARD AND PRESIDENT & CEO

We are pleased to present the 2021-22 Annual Report for OCGC. This report highlights the Agency's activities during the past fiscal year, which ended on March 31, 2022.

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

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

To date, OCGC has invested in 10 externally-managed funds and has also made direct investments through the Ontario Emerging Technologies Fund (OETF) alongside qualified co-investors into 27 Ontario-based emerging technology companies. In total, the Agency has committed \$378 million to Ontario-based/Ontario-focused fund managers and start-up companies, up from \$340 million compared to last year.

OCGC's initiatives, together with third-party capital, have collectively made available over \$4.5 billion to venture capital fund managers and companies in Canada. Through the Agency's investments, Ontario portfolio companies currently employ over 7,300 people and have also cumulatively recorded approximately \$10.8 billion in revenues and \$2.9 billion in R&D expenditures.¹

Since inception, the Agency has generated interim performance of 1.58x multiple of capital² as of December 31, 2021.

In 2022-23, OCGC will manage its investment portfolio and general business operations in a prudent and cost-effective manner. We will also continue to support the development of Ontario's venture capital ecosystem and provide advice and support to the Minister of Economic Development, Job Creation and Trade (the Minister) on the Province's venture capital policies.

Mr. Thomas Mathews was appointed to the OCGC Board of Directors (the Board) during the fiscal year. We are pleased to welcome him and the experience that he brings to the organization as we continue to deliver on our mandate. The Board would like to thank Mr. Gadi Mayman, OCGC's outgoing Vice Chair, for his significant contributions and outstanding service during his tenure with the agency. We would also like to acknowledge OCGC's

¹ Revenues and R&D expenditures are reported as of December 31, 2021 have been aggregated across OCGC's portfolio since inception. As individual fund managers may co-invest in syndicate, the aggregated figures may overstate these metrics due to potential double counting.

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

outgoing director, Ms. AnneMarie Ryan, whose tenure is ending in May 2022. We are indebted to her commitment to the Agency's success. Her leadership as Chair of the Governance and Human Resources Committee was invaluable.

Most importantly, we would like to thank the dedicated OCGC staff for their ongoing effort and commitment to the Agency's continued success. We look forward to continuing to work together in the new fiscal year to deliver OCGC'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 2021³

Ontario experienced an unprecedented increase of venture capital investment in 2021. A total of \$8.5B was invested in the province, nearly tripling the last year's total of \$3.1B which was the highest single year total on record at the time. 2021 punctuates what has largely been a consistent year over year increase in annual investment totals since the 2008-2009 financial crisis.

In addition to the amount of capital invested, there was a noteworthy increase in the average equity invested per deal, an area where Ontario has significantly lagged values achieved in the U.S. At an average of nearly \$29 million, companies saw a 2.5x increase in the average deal size from the previous year and 4x the average annual deal size of the previous decade. Ontario ranked 4th amongst North American jurisdictions for total venture investment (up from 10th in 2020) and also 5th in total number of deals (a slight drop from 4th place the year prior). The record setting year places Ontario comfortably ahead of Texas, which has typically edged out Ontario, but well shy of the perennial leaders and established global hubs of California, New York and Massachusetts.

Sectoral shares of the record setting investment totals remain largely unchanged from 2020 and prior years, with internet technology companies receiving the bulk of capital, life science companies the second largest but proportionately small total and cleantech companies coming in at a distant third place. Internet technology companies received 81% (\$6.8 billion) up from 70%, life science companies a relatively flat 10% (\$846 million) vs 8% and cleantech 4% (\$374 million) down from 12% when compared to 2020's annual splits. Despite year over year fluctuation, all sectors achieved record setting single year investment.

Despite the more than doubling of invested capital, early and later stages of investment received roughly the same historic average percentage of the available capital. In 2021, approximately one third of capital was directed to companies categorized as early or seed stage and the remaining two thirds directed to later and expansion stage companies.

Source of investment capital in 2021 was primarily Canadian and U.S. based investment funds, with 47% and 46% of total disclosed investment attribution respectively. With \$3.6 billion received in investments from U.S. fund managers, it is clear that Canadian companies are very much in focus as investment targets. Often with deeper pockets, a favourable exchange rate and extensive networks in and out of Silicon Valley, U.S. investors can represent valuable partners to emerging businesses. Even with record domestic investment levels, matching funds coming from the U.S. indicate a market rich with opportunity. However, a strong local venture capital infrastructure and investment climate continue to be needed, particularly for late stage investments, in order to build globally competitive companies in Ontario – not “seeding” the companies and having them relocate and grow elsewhere over time (e.g. the U.S.)

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

Key Initiatives and Results in Fiscal 2021-22

OCGC is pleased to highlight its key initiatives and results during the fiscal year that helped to fulfill the Agency's mandate and government priorities, including:

- Managing OCGC's investment portfolio and business operations in a prudent and cost-effective manner, with plans to continue to cover the Agency's operating costs from the revenues it generates;
- Supporting the development of Ontario's venture capital ecosystem and strategically invest in venture capital funds in a way that implements the Province's venture capital policies, while maintaining the Agency's high rate of net positive returns to the Province; and
- Working with the Ministry of Economic Development, Job Creation and Trade (the Ministry) to finalize revisions to the investment framework to commence evaluation of venture capital investment opportunities that are in alignment with current government priorities, including but not limited to the commercialization and protection of intellectual property in Ontario.

Overall Performance in Fiscal 2021-22

OCGC is expected to experience both investment gains and losses, which is typical for venture capital investment funds. On an aggregated basis, the interim performance of the Agency's investments has a valuation of 1.58x multiple of capital⁴ as of December 31, 2021, up from 1.40x as of March 31, 2021.

Given the ongoing COVID-19 pandemic, the externally managed funds report no permanent impact to portfolio valuation. OCGC expects that its investments will continue to build value over the long-term. However, with inflationary trends showing no signs of abating, squeezed global supply chains, and expectations of even more aggressive rate hikes from central banks around the world have led investors to sour on the global growth outlook. Many venture capital fund managers have warned portfolio companies that they must act quickly to cut costs and preserve cash to get through the uncertain period ahead. OCGC will continue to monitor market risks.

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

As of March 31, 2022, approximately 85% 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 OCGC's operating costs.

During this fiscal year, targets related to OCGC's business operations and investment portfolio were previously set in the Agency's annual business plan and the following results were achieved:

OCGC's Business Operations:

Targets for Fiscal 2021-22	Results Achieved
1. Ensure OCGC's business operations are managed efficiently and effectively, including its limited partnership interests in externally-managed funds and the remaining OETF investment portfolio	- Operating expenses were below \$1.3 million for the year ended March 31, 2021, which is below operating expenses of the prior year and below the 0.4% - 0.75% fees typically charged by fund-of funds. - Annual business plan and annual report submitted by the required deadline. - Compliance attestation submitted to the Ministry by the required deadline.
2. Ensure continuity of business services	- One staff member accepted a temporary work assignment outside the agency during the fiscal year, representing a 12.5% annual employee turnover. - 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.

OCGC's Investment Portfolio

Targets for Fiscal 2021-22	Results Achieved
1. Ensure investment portfolio is sufficiently diversified to mitigate financial risks while supporting the Province's venture capital policies.	3 new fund commitments were formally made as of March 31, 2022, in alignment with the investment framework.
2. Maintain a positive net multiple of capital across OCGC's investment portfolio.	Net multiple of capital of 1.58x as at December 31, 2021.⁵

⁵ Multiple of capital represents the return to the agency before OCGC's expenses.

Targets for Fiscal 2021-22	Results Achieved
3. Track portfolio activity quarterly and report annually on key performance indicators.	Portfolio summaries and annual key performance indicators received from each fund manager.
4. Respond to all capital calls from externally-managed funds by the required deadline.	All capital calls met by the required deadline.
5. 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.	- Engaged with 30 active fund managers - Minimum target of 50 meetings with other key relationships and networks was achieved.

In total, OCGC has committed \$378 million to Ontario-based/Ontario-focused fund managers and start-up companies, up from \$340 million compared to last year. OCGC's initiatives, together with third-party capital, have collectively made available over \$4.5 billion to venture capital fund managers and companies in Canada. Through OCGC's investments, Ontario portfolio companies currently employ over 7,300 people and have also cumulatively recorded approximately \$10.8 billion in revenues and \$2.9 billion in R&D expenditures.⁶

⁶ Revenues and R&D expenditures are reported as of December 31, 2021 have been aggregated across OCGC's portfolio since inception. As individual fund managers may co-invest in syndicate, the aggregated figures may overstate these metrics due to potential double counting.

Results Achieved^{7,8}

For this section, please note for the following:

- Revenues and R&D expenditures have been aggregated across OCGC's portfolio since inception and reported to OCGC as of calendar year-end. As individual fund managers may co-invest in syndicate, the aggregated figures may overstate these metrics due to potential double counting.
- As OCGC's underlying portfolio exits investments or invests in new opportunities, annual impact drivers, such as employment or revenue generation, will increase or decrease accordingly. Therefore, an increase or decrease from a prior year cannot solely be attributed to investment performance.
- For each fund, values related to revenues, R&D expenditures and employment are as of December 31, as reported by the fund manager.

Key Initiatives⁹

All dollar figures in this section are in Canadian dollars unless otherwise stated.

Ontario Emerging Technologies Fund

Fund Manager:	OCGC
Vintage Year:	2009
Current Status:	Fully committed
Fund Structure:	Direct investment into companies
Investment Sector:	Generalist
OCGC Investment Commitment:	\$105 million

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 OCGC until all investments have been fully realized.

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

OETF's portfolio of companies has been well represented and dispersed throughout the major urban centers of southern Ontario. OETF portfolio companies have cumulatively recorded to date approximately \$1 billion in revenues, \$445 million in R&D expenditures and support over 60 full-time careers.

⁷ Revenues and R&D expenditures have been aggregated across OCGC's portfolio since inception and reported to OCGC as of calendar year-end. As individual fund managers may co-invest in syndicate, the aggregated figures may overstate these metrics due to potential double counting.

⁸ As OCGC's underlying portfolio exits investments or invests in new opportunities, annual impact drivers, such as employment or revenue generation, will increase or decrease accordingly. Therefore, an increase or decrease from a prior year cannot solely be attributed to investment performance.

⁹ For each fund, values related to revenues, R&D expenditures and employment are as of December 31.

Ontario Venture Capital Fund LP

Fund Manager:	Northleaf Capital Partners Ltd.
Vintage Year:	2008
Current Status:	Fully committed
Fund Structure:	Fund-of-funds
Investment Sector:	Generalist
Total Fund Size:	\$205 million
OCGC Investment Commitment:	\$90 million

Ontario Venture Capital Fund (OVCF) is a \$205 million fund-of-funds, in which OCGC invested \$90 million. OVCF was focused on investing into Ontario-based venture capital funds, 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.

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

Capital committed by OVCF and the capital it has leveraged from third parties has collectively provided over \$1 billion for Ontario-based/focused funds and companies. The fund's Ontario-based portfolio companies have cumulatively recorded approximately \$4.9 billion in revenues, \$1 billion in R&D expenditures and employ over 1,350 people.

Northleaf Venture Catalyst Fund LP

Fund Manager:	Northleaf Capital Partners Ltd.
Vintage Year:	2014
Current Status:	Fully committed
Fund Structure:	Fund-of-funds
Investment Sector:	Generalist
Total Fund Size:	\$300 million
OCGC Investment Commitment:	\$50 million

The Northleaf Venture Catalyst Fund LP (NVCF) is a \$300 million fund-of-funds, in which OCGC invested \$50 million. NVCF was focused on investing into Canadian venture capital funds, 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, OCGC continued to oversee its limited partnership interest in the fund, including responding to capital calls issued by the fund manager in a timely manner.

Capital committed by NVCF and the capital it has leveraged from third parties, has collectively provided over \$2 billion for funds and companies with a Canadian presence. The fund's Ontario-based portfolio companies have recorded over \$4.18 billion in revenues, \$990 million in R&D expenditures and employ over 3,750 people.

ScaleUp Venture Fund I LP

Fund Manager:	ScaleUP Venture Partners, Inc.
Vintage Year:	2016
Current Status:	Fully committed
Fund Structure:	Direct investments into companies
Investment Sector:	ICT
Total Fund Size:	\$106 million
OCGC Investment Commitment:	\$25 million

The ScaleUp Venture Fund I LP (SUVF I) is a \$106 million fund, in which OCGC made an investment commitment of \$25 million. SUVF I aimed 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.

SUVF I has committed a total of approximately \$89 million to 28 investments. This includes 16 Ontario-based early-stage technology companies, totaling approximately \$41 million.

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

Capital committed by SUVF I and the capital it has leveraged from third parties, has collectively provided approximately \$290 million to Ontario companies. The fund's Ontario-based portfolio companies have recorded approximately \$328 million in revenues, \$104 million in R&D expenditures and employ over 870 people.

Yaletown Innovation Growth LP

Fund Manager:	Yaletown Partners Inc.
Vintage Year:	2017
Current Status:	Fully committed
Fund Structure:	Direct investments into companies
Investment Sector:	ICT/cleantech
Total Fund Size:	\$128 million
OCGC Investment Commitment:	\$20 million

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

cleantech, intelligent industry and intelligent enterprise sectors. IGF I is fully committed, with reserves held for follow-on financing.

The fund has made 12 investment commitments totaling \$75 million, including 3 Ontario-based companies totaling approximately \$23 million.

Capital committed by IGF I and the capital it has leveraged from third parties, has collectively provided approximately \$87 million to Ontario companies. The fund's Ontario-based portfolio companies have recorded approximately \$41 million in revenues, \$43 million in R&D expenditures and employ over 150 people.

Lumira Ventures III LP

Fund Manager:	Lumira Capital Investment Management Inc.
Vintage Year:	2017
Current Status:	Fully committed
Fund Structure:	Direct investments into companies
Investment Sector:	Life Sciences
Total Fund Size:	\$179 million
OCGC Investment Commitment:	\$23 million

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

The fund has invested a total of approximately \$119 million to 18 investments. 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 \$500 million to Ontario companies. Lumira's Ontario-based portfolio companies have recorded approximately \$260 million in revenues, \$120 million in R&D expenditures and employ 194 people.

Genesys Ventures III LP

Fund Manager:	Genesys Capital Management (Fund III) Inc.
Vintage Year:	2016
Current Status:	Fully committed
Fund Structure:	Direct investments into companies
Investment Sector:	Life Sciences
Total Fund Size:	\$107 million
OCGC Investment Commitment:	\$17 million

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

During the fiscal year, Genesys III made 1 new investment commitment. The fund invested a total of approximately \$51 million to 11 investments. This includes 6 Ontario-based companies, totaling approximately \$33 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 \$30 million in revenues, \$138 million in R&D expenditures and employ 285 people.

Amplitude Ventures Fund I LP

Fund Manager:	Amplitude Venture
Vintage Year:	2019
Current Status:	Active investment period
Fund Structure:	Direct investments into companies
Investment Sector:	Life Sciences
Total Fund Size:	\$200+ million
OCGC Investment Commitment:	\$10 million

Amplitude Ventures Fund I LP (Amplitude I), in which OCGC 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.

During the fiscal year, the fund made 7 new investment commitments. The fund invested a total of approximately \$68 million to 14 investments. This includes 2 Ontario-based companies, totaling approximately \$23 million.

Capital committed by Amplitude I and the capital it has leveraged from third parties, has collectively provided approximately \$285 million to Ontario companies. The fund's Ontario-

based portfolio companies have recorded approximately \$9 million in revenues, \$27 million in R&D expenditures and employ 115 people¹⁰.

Yaletown Innovation Growth II LP

Fund Manager:	Yaletown Partners Inc.
Vintage Year:	2021
Current Status:	Active investment period
Fund Structure:	Direct investments into companies
Investment Sector:	ICT/cleantech
Total Fund Size:	\$155 million
OCGC Investment Commitment:	\$13 million

Yaletown Innovation Growth II LP (IGF II) has raised a total of \$155 million, of which OCGC 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, including 1 Ontario-based company, totalling \$16.5 million.

Lumira Ventures IV LP

Fund Manager:	Lumira Capital Investment Management Inc.
Vintage Year:	2021
Current Status:	Active investment period
Fund Structure:	Direct investments into companies
Investment Sector:	Life Sciences
Total Fund Size:	\$220 million USD
OCGC Investment Commitment:	\$15 million

Lumira Ventures IV LP (Lumira IV) is being deployed 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 8 new investments, including 1 Ontario-based company, totalling \$44 million.

¹⁰ Values related to revenues, R&D expenditures and employment are as of December 31, as reported by the fund manager.

Whitecap Venture Partners V LP

Fund Manager:	Whitecap Management V Inc.
Vintage Year:	2021
Current Status:	Active investment period
Fund Structure:	Direct investments into companies
Investment Sector:	Generalist
Total Fund Size:	\$150 million
OCGC Investment Commitment:	\$10 million

Whitecap Venture Partners V LP (WhiteCap V) is managed by Whitecap Venture Partners, a Toronto based early stage venture capital firm with a track record spanning over three decades. Whitecap V closed in 2021 with a fund size of \$150M and is focused on seed and series A opportunities in Canada and the US.

During the fiscal year, the fund made 6 new investments, including 2 Ontario based companies.

Development of Ontario's Venture Capital Ecosystem

Owing to the pandemic, a number of events and conferences were either cancelled or held virtually throughout the fiscal year. In fiscal 2021-22, OCGC supported the development of Ontario's venture capital ecosystem by:

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

OCGC also took an active role in industry events, such as speaking at the Canadian Innovation Exchange (CIX) and the Mississauga Entrepreneurship and Innovation Program. 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 OCGC can access market intelligence with respect to funds that are currently or expected to fundraise, as well as insight to help identify potential stage or sector gaps faced by Ontario-based technology companies.

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

June 27, 2022

FINANCIAL STATEMENTS

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Ontario Capital Growth Corporation (OCGC) have been prepared in accordance with Canadian public sector accounting standards and are the responsibility of Management. The preparation of financial statements necessarily involves the use of estimates based on Management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. The financial statements have been properly prepared within reasonable limits of materiality and in light of information available up to March 31, 2022.

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

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

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

On behalf of Management:

Original Executed by: "Steve Romanyshyn"

Steve Romanyshyn, President & CEO

Independent Auditor's Report

To the Board of Directors of
Ontario Capital Growth Corporation

Opinion

We have audited the financial statements of the Ontario Capital Growth Corporation, which comprise the statement of financial position as at March 31, 2022, and the statements of operations and changes in accumulated operating surplus, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Ontario Capital Growth Corporation as at March 31, 2022, and the results of its operations, change in net financial assets and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

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

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

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

Auditor's Responsibilities for the Audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ontario Capital Growth Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ontario Capital Growth Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Ontario Capital Growth Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Original Signed by Deloitte

Chartered Professional Accountants
Licensed Public Accountants
June 27, 2022

Ontario Capital Growth Corporation

Statement of Financial Position

As at March 31, 2022

(Amounts in Canadian dollars)

	Notes	2022 \$	2021 \$
Financial assets			
Cash and cash equivalents		67,176,978	22,917,531
Marketable securities	4	283,024,754	207,215,299
Accounts receivable	5	1,483,595	4,626
investment in limited partnerships	6	133,034,014	186,092,256
Ontario Emerging Technologies Fund – OETF	7 and 8	2,741,756	19,326,839
		487,461,097	435,556,551
Liabilities			
Accounts payable and accrued liabilities	12	611,880	482,819
Net financial assets		486,849,217	435,073,732
Non financial assets	15	—	—
Accumulated surplus		486,849,217	435,073,732
Contractual commitments	11		
Accumulated surplus is comprised of			
Accumulated operating surplus		486,909,290	434,535,858
Accumulated remeasurement gains		(60,073)	537,874
		486,849,217	435,073,732

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

Approved by the Board

Original Executed by: “Daniel Nowlan”

_____, Director

Original Executed by: “Tim Jackson”

_____, Director

Ontario Capital Growth Corporation

Statement of Operations and Changes in Accumulated Operating Surplus

Year ended March 31, 2022

(Amounts in Canadian dollars)

	Notes	Budget \$	2022 Actual \$	2021 Actual \$
Revenue				
Funding and transfer payments from the Province of Ontario				
OCGC Operating	14	—	—	1,440,000
Interest income		418,000	551,775	947,611
Investment income on OETF portfolio investments		—	2,760,510	15,880
Investment income on distribution from				
OVCF		340,000	154,418	
Lumira III		—	—	67,466
Genesys III		—	125	—
Amplitude		—	2,568	3,086
Realized capital gain on OETF investments		—	34,551,427	67,851
Capital gain on distribution from				
OVCF		8,681,000	9,130,672	432,480
SUVF		4,818,000	4,818,131	—
Yaletown I		—	14,068	—
Lumira III		1,078,000	2,203,082	1,954,893
Genesys III		—	109,117	—
Expression of Interest expense recovery from funds				
Prior period		14,615	14,615	93,323
Current period		24,385	39,448	—
Other expense recovery		—	100,363	—
Foreign exchange loss	3	(134,000)	(506,270)	(2,195,311)
		15,240,000	53,944,049	2,827,279
Expenses				
Reimbursements to the Ministry	12	904,000	991,418	1,089,067
Cash management fees	11	32,000	29,237	34,263
Professional services fees	11	569,000	501,813	246,782
Board and committee member expenses		6,000	6,388	4,088
Impairment of OETF portfolio investments	10	—	—	307,000
Bad debt expense		—	41,761	—
		1,511,000	1,570,617	1,681,200
Annual surplus		13,729,000	52,373,432	1,146,079
Accumulated operating surplus, beginning of year		434,535,858	434,535,858	433,389,779
Accumulated operating surplus, end of year		448,264,858	486,909,290	434,535,858

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

Ontario Capital Growth Corporation
Statement of Remeasurement Gains and Losses
Year ended March 31, 2022
(Amounts in Canadian dollars)

	Budget \$	2022 Actual \$	2021 Actual \$
Accumulated remeasurement gains, beginning of year	537,874	537,874	454,157
Unrealized gains (losses) attributable to			
Foreign exchange	(37,874)	(52,748)	(285,571)
Marketable securities	—	(70,607)	20,284
OETF portfolio investments	—	(474,592)	349,004
	(37,874)	(597,947)	83,717
Accumulated remeasurement gains (losses), end of year	500,000	(60,073)	537,874

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

Ontario Capital Growth Corporation
Statement of Change in Net Financial Assets
Year ended March 31, 2022
(Amounts in Canadian dollars)

	Budget \$	2022 Actual \$	2021 Actual \$
Annual surplus	13,729,015	52,373,432	1,146,079
Net remeasurement gains (losses)	(37,874)	(597,947)	83,717
Increase in net financial assets	13,691,141	51,775,485	1,229,796
Net financial assets, beginning of year	435,073,732	435,073,732	433,843,936
Net financial assets, end of year	448,764,873	486,849,217	435,073,732

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

Ontario Capital Growth Corporation
Statement of Cash Flows
Year ended March 31, 2022
(Amounts in Canadian dollars)

	2022 \$	2021 \$
Operating transactions		
Annual surplus	52,373,432	1,146,079
Bad debt expense	41,761	—
Realized gains on sale of OETF investments	(34,551,427)	(67,851)
Realized gains on distributions from limited partnerships	(16,275,070)	(2,387,373)
Impairment of OETF portfolio investment	—	307,000
Changes in non-cash operating balances		
Accounts receivable	(1,478,969)	25,596,417
Accounts payable and accrued liabilities	129,061	56,901
	238,788	24,651,173
Investing transactions		
Proceeds from disposal and redemptions of marketable securities	504,308,887	449,316,047
Purchase of marketable securities	(545,398,693)	(451,950,301)
Purchase of investments in limited partnerships	16,275,070	2,387,373
Proceeds from investments in limited partnerships	(20,519,888)	(19,828,272)
Return of capital from limited partnerships	73,578,130	1,497,806
Sale of investments in OETF	23,053,702	1,468,194
Purchase of investments in OETF	(7,276,549)	(3,040,065)
	44,020,659	(20,149,218)
Increase in cash and cash equivalents during the year	44,259,447	4,501,955
Cash and cash equivalents, beginning of year	22,917,531	18,415,576
Cash and cash equivalents, end of year	67,176,978	22,917,531
Composition of cash and cash equivalents		
Cash	66,625,358	21,028,783
Cash equivalents	551,620	1,888,748
	67,176,978	22,917,531

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

Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2022

(Amounts in Canadian dollars)

1 Description of business

The Ontario Capital Growth Corporation (OCGC or the Corporation) is a corporation without share capital, established under the Ontario Capital Growth Corporation Act, 2008 (the Act), which was proclaimed in force as at February 1, 2009 as an agency of the Ministry of Research and Innovation (MRI). In July 2018, the responsible Ministry was reorganized as the Ministry of Economic Development, Job Creation and Trade (collectively, the Ministry). As at March 31, 2022, OCGC is responsible to the Minister of Economic Development, Job Creation and Trade (the Minister).

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

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

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

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

Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2022

(Amounts in Canadian dollars)

1. Description of business (continued)

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

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

As of March 31, 2022, the Corporation has venture capital investments outstanding in eleven funds: (1) the Ontario Venture Capital Fund LP - OVCF; (2) the Northleaf Venture Capital 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; (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; and (11) 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.

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

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

2 Summary of significant accounting policies

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

Cash and cash equivalents

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

2. Summary of significant accounting policies (continued)

Marketable securities

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

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

Investments in limited partnerships

Investments in 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.

2. Summary of significant accounting policies (continued)

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.

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.

Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2022

(Amounts in Canadian dollars)

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

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.

OCGC has a number of transfer payment agreements, such as: OETF, NVCF, SUVF, CEF, LSVCF and VOF, where the funding received represents monies transferred from the Ministry to the Corporation. The funding is recognized when received. CEF refers to the Cleantech Equity Fund, which the Corporation has made an initial \$20 million investment commitment to Yaletown I. LSVCF refers to the Life Science Venture Capital Fund initiative, which the Corporation has made initial investments of \$23 million to Lumira III, \$17 million to Genesys III and \$10 million to Amplitude. Under the Venture Ontario Fund initiative to date, the Corporation made commitments of USD \$11.7 million to Lumira Ventures IV, \$13 million to Yaletown II, and \$10 million to Whitecap V.

Expense categories

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

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

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

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

Foreign currency translation

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

2. Summary of significant accounting policies (continued)

Measurement uncertainty

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

3 Financial instruments

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

Credit risk

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

The Corporation considers obligations of the Governments of Ontario and Canada to be relatively risk-free (Note 4).

Liquidity risk

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

Currency risk

Currency risk is the risk to the Corporation's results of operations that arises from fluctuations of foreign currency exchange rates and the degree of volatility of these rates. The Corporation's exposure to foreign currency exchange risk is limited to holding US dollar cash and cash equivalents and holding OETF investments denominated in US dollars. OCGC does not hedge its US dollar exposure. The Corporation had a net exposure of US\$53,967,519 as at March 31, 2022 (US\$13,906,499 in 2021). A 5% increase (5% decrease) of the Canadian dollar against the US dollar as at March 31, 2022 would result in an impact of US\$2,698,376 (US\$695,325 in 2021) on the statement of remeasurement gains and losses with no impact on the operating surplus. In practice, the actual trading results may differ from this sensitivity analysis and the impact could be material.

Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2022

(Amounts in Canadian dollars)

3. Financial instruments (continued)

Interest rate risk

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

Other price risk

Other price risk is the risk the value of financial instruments will fluctuate as a result of changes in market prices or from factors specific to an individual investment. The maximum risk resulting from the financial instruments is equivalent to their fair value. The marketable securities consist of treasury bills that are not subject to significant price risk. As at March 31, 2022, 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 \$6,815,419 (\$10,270,955 in 2021). 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 OCGC on eventual disposition is inherently unpredictable.

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

Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2022

(Amounts in Canadian dollars)

4 Marketable securities

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

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

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

	2022 Par value \$	2022 Fair value \$	2021 Par value \$	2021 Fair value \$
Province of Ontario treasury bills, due dates ranging from June 1, 2022 to November 30, 2022 average coupon rate of 0.00%	42,225,000	42,023,697	51,124,000	51,092,205
Province of Ontario treasury bills, due dates ranging from April 6, 2022 to September 21, 2022 average coupon rate of 0.00%	240,861,000	240,468,447	156,189,000	156,123,094
	283,086,000	282,492,144	207,313,000	207,215,299
	2022 Acquisition Cost \$	2022 Fair value \$	2021 Acquisition Cost \$	2021 Fair value \$
Common Shares				
Publicly traded shares	1,026,211	532,610	—	—
	1,026,211	532,610	—	—
	284,112,211	283,024,754	—	—

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, 2022, a change in interest rates of 1.0% would result in an impact of \$2,824,921 (\$2,072,153 in 2021) to the results of operations.

5 Accounts receivable

As a Schedule A provincial agency, OCGC is required to follow the pay and rebate model with respect to HST applied to direct purchases. The Corporation pays the HST on its purchases and, subsequently, files a monthly rebate claim with the Canada Revenue Agency for the HST paid. HST rebates receivable as at March 31, 2022 amounted to \$3,794 (\$4,626 in 2021).

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 2022, amounted to \$1,479,801 and remains in escrow for future disbursement (\$nil in 2021).

Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2022

(Amounts in Canadian dollars)

6 Investments in limited partnerships

The Corporation is an investor in ten (2021 – seven) 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, 2022 are as follows:

Limited Partnership	Total commitment \$	Remaining uncalled commitment \$	2022 Cost of investments* \$	2021 Cost of investments* \$
Ontario Venture Capital Fund LP - OVCF	90,000,000	1,440,537	8,155,954	79,494,289
Northleaf Venture Capital Fund LP - NVCF	50,000,000	—	50,000,000	50,000,000
ScaleUP Venture Fund I LP - SUVF	25,000,000	2,101,519	22,898,481	20,239,443
Yaletown Innovation Growth I LP - Yaletown I	20,000,000	7,000,000	13,000,000	11,000,000
Lumira Ventures III LP - Lumira III	23,000,000	4,218,053	20,035,906	14,383,489
Genesys Ventures III LP - Genesys III	17,000,000	6,595,566	10,691,332	9,259,355
Amplitude Ventures I LP - Amplitude	10,000,000	6,649,558	3,284,749	1,715,680
Lumira Ventures IV LP - Lumira IV (Note 1)	14,620,320	11,441,741	3,242,770	—
Yaletown Innovation Growth II LP - Yaletown II	13,000,000	11,700,000	1,300,000	—
Whitecap Venture Partners V LP - Whitecap	10,000,000	9,575,178	424,822	—
	272,620,320	60,722,152	133,034,014	186,092,256

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

Note 1: Commitments payable in USD. Uncalled commitments based on the exchange rate at March 31, 2022.

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.

Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2022

(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	2022 Contingent**	Acquisition cost*	Carrying value	2021 Contingent**
	\$	\$	\$	\$	\$	\$
CAD investments	5,941,756	2,741,756	—	22,112,576	19,326,839	—

* 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, 2022, the OETF investment portfolio consisted of investments in 2 different companies, ranging from 0.20% to 0.36% of net assets. The percentage calculations exclude impaired investments in companies with a nominal or nil carrying value.

61,592 shares of Peraso Inc. are currently held in escrow for OCGC 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.

In addition, OCGC is party to earnout consideration with respect to the Generac Holdings Inc. shares. The earnout will consist of additional shares of Generac Holdings Inc. and is to be paid June 30, 2022 and June 30, 2023 if the earnout conditions are met. The estimated value of the earnout was \$7,195,150 USD as of December 2021, the date the acquisition was settled. Due to the uncertainty of realization and measurement of the earnout, income from the earnout will be reported when received.

9 Income on investments in OETF

For the year ended March 31, 2022, the Corporation recognized \$2,760,510 (\$15,880 income in 2021) of investment income in OETF.

10 Impairment of OETF investments

For the year ended March 31, 2022, impairment charges of \$nil (\$307,000 in 2021) in OETF investments were identified by management and were recognized in the statement of operations and changes in accumulated operating surplus.

Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2022

(Amounts in Canadian dollars)

11 Contractual commitments

OCGC 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 OCGC, OFA conducts investment and cash management services and activities for OCGC. OFA is the agency of the Province of Ontario responsible for providing financial and centralized cash management services for the government. OCGC pays OFA a fee for these services based on assets under management and reimburses for other related activities on a cost recovery basis.
- In accordance with the contract between LP Analyst and OCGC, LP Analyst provides investment consulting services including sourcing strategy, conducts due diligence services and activities for potential new fund investments, provides business advice to support negotiation, and undertake portfolio monitoring and reporting. OCGC pays both fixed and hourly rates for these services and activities, respectively.
- In accordance with the contract between Covington Capital Corporation (Covington) and OCGC, Covington conducts services and activities to qualify, monitor, and exit OETF's investments. OCGC pays both fixed and hourly rates for these services and activities, respectively.
- In accordance with the contract between WCO Professional Corporation (WCO) and OCGC, WCO performs accounting functions relating to the operations of OCGC. OCGC 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, 2022 amounted to \$471,390 (\$267,118 in 2021).

The remaining balance as at March 31, 2022 in the amount of \$140,490 (\$215,701 in 2021) represents payables in arrears to miscellaneous service providers.

Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2022

(Amounts in Canadian dollars)

13 Related party transactions

As of March 31, 2022, the Corporation has related party transactions with the Ministry of Economic Development, Job Creation and Trade (“MEDJCT”), the Ontario Financing Authority (“OFA”), and the Province of Ontario.

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

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

The provision of services to the Corporation by a related party is subject to a policy of reimbursement for the costs of such services or service level agreement fee.

14 OCGC Operating Funding

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

Effective April 1, 2021, the Corporation will no longer receive transfer payments from the Ministry to offset its operating expense.

For the year ended March 31, 2022, the aggregate OCGC operating funding payments received from the Ministry were \$nil (\$1,440,000 in 2021).

15 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.

Ontario Capital Growth Corporation

Notes to the Financial Statements

March 31, 2022

(Amounts in Canadian dollars)

16 Rent expense

In March 2022 it was determined that rent would not be charged by the Ministry of Government and Consumer Services (MGCS) for the 2022 or 2021 fiscal year. The 2021 rent was recorded as a prior period recovery in the current year.

17 Significant event

On February 24, 2022, Russia launched a military invasion of Ukraine. As a result, Russian markets were suspended. Various sanctions have been levied against Russia on an international scale. The duration and impact of the invasion is unknown at this time and the impact on the financial markets cannot be reliably estimated at the statement of financial position date. This could affect certain investments that the Corporation holds.

18 Subsequent event

Subsequent to the year end, the Corporation committed \$7.5 million and USD \$5 million respectively to Panache Ventures Investment Fund II 2022, L.P. and Maverix Growth Equity Fund I, LP under the Venture Ontario Fund initiative.

Subsequent to the year end, Treasury Board/Management Board of Cabinet approved an increase to the Venture Ontario Fund's investment cap from \$100 million to \$300 million. The transfer payment agreement between the Ministry and the Corporation shall be amended to make available an additional \$200 million to support early-stage, late-stage and growth fund investments.

CORPORATE GOVERNANCE

Overview

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

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

Accountability and Responsibilities

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

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

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

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

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

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

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

Financial Reporting Requirements

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

Internal Controls

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

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

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

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

Operations

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

MEMBERS OF THE BOARD OF DIRECTORS

Daniel Nowlan, Chair

Date of initial appointment to OCGC 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, Vice Chair

Date of initial appointment to OCGC Board: January 2021

End of current term: February 2025

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

AnneMarie Ryan, Member

Date of initial appointment to OCGC Board: April 2018

End of current term: May 2022

AnneMarie Ryan is an experienced senior executive and independent director. She was appointed a Commissioner of the Ontario Securities Commission from February 2013 to January 2019 and served as Lead Director of the Commission from Dec. 2016 to Jan. 2019. Prior to joining the OSC, she was President of AMR Associates Inc., consulting to Canadian financial service firms and regulators on Business Strategy and Planning, Market Structure,

Trading Technology and Market Regulation. She was previously a member of the senior management teams of several investment dealers where she focussed on technology innovation in equity markets. Ms. Ryan is past Chair and was a member of the Board of Women in Capital Markets from 2006 to 2014. She also previously served on the boards of Benefaction Foundation and Epilepsy Canada. She holds a Bachelor of Arts degree in Political Science and a Master of Business Administration degree from the University of Toronto.

Tim Jackson, Member

Date of initial appointment to OCGC Board: April 2018

End of current term: May 2024

Timothy Jackson is President and CEO of SHAD Canada and former Executive Vice-President of the MaRS Discovery District. Mr. Jackson currently serves as a director of Manulife Bank of Canada and Manulife Trust Company, Bold Innovation Group Ltd. and Bingemans Inc. He is also a board member of the Kitchener Waterloo Community Foundation. Previous community roles include terms as Chair of the Ontario Trillium Foundation, the Waterloo North Hydro Holding Corporation and the Food Bank of Waterloo Region and board roles with organizations including Ontario Place Corporation and the University of Waterloo Board of Governors. Mr. Jackson is a Chartered Professional Accountant and he holds a Bachelor of Arts degree in Accounting from the University of Waterloo.

Elsbeth Murray, Member

Date of initial appointment to OCGC Board: April 2018

End of current term: April 2023

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

Vikram Khurana, Member

Date of initial appointment to OCGC Board: July 2020

End of current term: July 2023

Vikram Khurana is Chair of Toronto Business Development Centre, a leading business incubator helping international start-ups and scale-ups grow in Ontario. He is founder of a number of multinational businesses including Prudential Consulting Inc. and Leading System Consultants and has advised multinational organizations on a variety of business areas including, FDI, international trade, Information Technology (IT), and business process outsourcing. Prior to becoming an entrepreneur, Mr. Khurana worked at TD Bank. He presently

serves on the Board of Ontario Lottery and Gaming Corporation and as a Trustee of the Canada Post Community Foundation. Mr. Khurana served on the Board of Directors of Export Development Canada, FinDev Canada, the Dean's Council of Ted Rogers School of Management at Ryerson University, the Technical Standards and Safety Authority, Asia Pacific Foundation Canada and the Advisory Board of the Indo Canada Chamber of Commerce. Mr. Khurana is an active participant in a variety of fundraising activities for development-related causes and was an honorary member of the Board of Governors at Mount Sinai Hospital Foundation in Toronto.

Bryan Smith, Member

Date of initial appointment to OCGC Board: August 2020

End of current term: August 2023

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

Richard Robarts, Member

Date of initial appointment to OCGC Board: February 2021

End of current term: February 2024

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

Thomas Mathews, Member

Date of initial appointment to OCGC 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 2021-22 was \$6,250.00 and the breakdown is as follows.

Appointee	Total Annual Remuneration	Per Diem Remuneration Rate
Vikram Khurana, Member	\$1,400.00	\$ 200.00
Leslie Lewis, Vice-Chair	\$1,650.00	\$ 250.00
Thomas Mathews, Member	\$1,000.00	\$ 200.00
AnneMarie Ryan, Member	\$2,200.00	\$ 200.00
Total	\$6,250.00	Not applicable

RISK MANAGEMENT POLICIES AND PROCEDURES

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

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

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

OUTLOOK FOR FISCAL 2022-23

The most recent agency mandate letter identified several government-wide priorities for all agencies¹¹, as well as specific priorities for OCGC. For fiscal 2022-23, OCGC will focus on the following strategic directions:

- Managing OCGC'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 OCGC's high rate of net positive returns to the Province; and
- Ensuring that Venture Ontario Fund I investments are consistent with the Investment Framework and review the Investment Framework with the Minister during the 2022-23 fiscal year to ensure investments continue to be 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.

CONTACT INFORMATION

For general inquiries and information, please contact OCGC at:

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

¹¹ As agencies are expected to act in the best interests of Ontarians by being efficient, effective, and providing value for money to taxpayers, government-wide priorities include (1) competitiveness, sustainability and expenditure management; (2) transparency and accountability; (3) risk management; (4) workforce management; (5) data collection; (6) digital delivery and customer services; (7) diversity and inclusion; and (8) covid-19 recovery.