



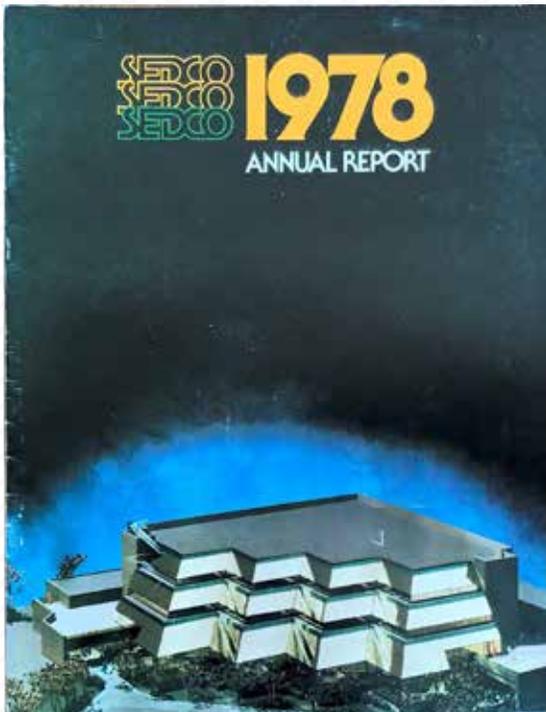
2020/21

ANNUAL REPORT



Helping grow
Saskatchewan's
tech sector.





**EXCERPTS FROM THE
SASKATCHEWAN ECONOMIC
DEVELOPMENT CORPORATION'S
(SEDCO) 1978 ANNUAL REPORT**

In 1977, the Corporation announced the establishment of a Research Park in Saskatoon on property leased from the University of Saskatchewan. This 80-acre park is being developed for the purpose of fostering the growth of industrial research within the province. Planning continued in 1978 and at year-end, the Corporation awarded a contract for construction of the first building in the park. This building, the SEDCO Centre, comprises approximately 100,000 sq. ft. and is featured on the cover of this report. It will have rental space available on either short or long term leases.

The Corporation views the Research Park as a major development for the province — and, indeed, of broad importance for Western Canada.



**HELPING
GROW
SASKATCHEWAN'S
TECH
SECTOR**

INNOVATION PLACE

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LETTER OF TRANSMITTAL

Saskatoon, July 2021

To His Honour
The Honourable Russ Mirasty, S.O.M., M.S.M
Lieutenant Governor of Saskatchewan
Province of Saskatchewan

Dear Sir:

I have the honour to submit herewith the Annual Report of the Saskatchewan Opportunities Corporation for the fiscal year ending March 31, 2021 in accordance with *The Saskatchewan Opportunities Corporation Act*.

The Financial Statements included in this annual report are in the form approved by Crown Investments Corporation of Saskatchewan, as required by *The Financial Administration Act, 1993* and have been reported on by the auditors.

Respectfully submitted,



HONOURABLE DON MORGAN, Q.C.

Minister Responsible for Saskatchewan Opportunities Corporation



MESSAGE TO OUR STAKEHOLDERS

FROM BOARD CHAIR, VICTOR THOMAS, AND ACTING PRESIDENT & CEO, BRENT SUKENIK

This past year was extraordinary by any measure. Going into the year we had a clear plan: continue to focus on the development of new technology businesses, maximize operational efficiencies, and attract and retain tenants that are an appropriate fit with our key technology sectors. Unfortunately, before the year even began we were forced to shift priorities due to the onset of the COVID-19 pandemic.

RESPONDING TO THE PANDEMIC

Above everything else, we have fully lived up to our corporate commitment of making the health and safety of our employees, tenants, and everyone we do business with, our top priority. From the beginning of the pandemic we acted quickly and decisively, providing all employees the ability to work remotely from home if their position allowed them to do so. We also implemented various operational changes and enhanced safety protocols at the parks to provide all SOCO and tenant employees who continued to work on-site the safest working environment possible.

Providing high-quality service to our tenants also remained a priority. Almost immediately after the Provincial State of Emergency was declared in March 2020, approximately two-thirds of tenant employees moved to remote work arrangements. To accommodate these arrangements we enhanced our park network to provide our tenants with additional bandwidth to ensure they had access to the same level of services as if they were on-site. We offered a deferred rent payment plan to tenants, and have continually kept them apprised of available government programs to assist with the financial pressures caused by the pandemic.

We also repositioned our programming to virtual formats and added content specific to addressing pandemic-related issues.

IMPACT TO OUR BUSINESS

Although the pandemic has had a slight impact on financial results, the most significant impact has been on our environment.

Elsewhere in this report you will read about our unique environment, one that encourages innovation, collaboration and entrepreneurship. This environment is built on a technology park model with the core strategic basis being the physical clustering of technology organizations in a campus environment. This provides the opportunity for greater success through the benefits of networking, sector-specific programming and education, and inter-company collaboration.

In addition to the direct impact of approximately two-thirds of tenant employees moving to some form of remote work arrangements, most of our programming and social activities targeted at promoting collaboration within our community have been impacted by the pandemic. As an example, in the prior year we hosted 177 events that were attended by just under 12,000 people. The number of events hosted in the current year, mostly virtually, dropped to 66 and were attended by 4,600 people.

ADVANCING OUR STRATEGY

Despite the significant challenges the pandemic brought forth, we are comfortable with where we ended the year, and in the progress made in advancing several strategic initiatives. We had 12 new technology businesses start operations at the parks in 2020/21, meeting the target set out for the year. Many of these startups will be valuable additions to our growing Information and Communications Technology sector.

We entered into a lease that will see the Global Institute for Food Security (GIFS) occupy 33,000 square feet of lab, greenhouse, growth chamber and office space in our Saskatoon park. Their new Omics and Precision Agriculture Laboratory is a state-of-the-art facility that provides genomics, phenomics and bioinformatics services to Western Canadian producers along with public and private research organizations.

Ultimately, the basis of our success is our people. They are the ones who serve our tenants and communities, make the strategic decisions, lead corporate initiatives, manage the risks and drive innovation. During the year we formalized our People Strategy, our long-term commitment to employees focusing on five specific areas. We also advanced key initiatives during the year in support of the People Strategy, including the Leadership and Career Development Program.

CHANGES TO THE EXECUTIVE TEAM

During the year we experienced significant changes to our executive team. Mid-year, our President and CEO Van Isman, announced he would retire in October 2020. A similar message was repeated a few short months later when our Vice President and Chief Operating Officer, Ken Loeppky, announced he would retire at the end of the fiscal year. Collectively we want to thank Van and Ken for their meaningful contributions to the betterment of SOCO over the years.

LOOKING FORWARD

As we move into 2021/22 our focus shifts to four key business initiatives:

- 1 Ensure we provide a product that offers value to our tenants, potential tenants and other stakeholders;
- 2 Enhanced focus on business development and growing the tech ecosystem in Saskatchewan;
- 3 Drive efficiencies in operations; and
- 4 Continue to focus on our people.

SPECIAL THANKS

We will close by extending our sincere gratitude to our stakeholders, for your patience and understanding through these uncertain times.

We are also extremely grateful for the dedication, perseverance and courage of our employees during this past year. They make it possible for us to continue providing exemplary value to our stakeholders. A heartfelt thank you to all of our employees.



VICTOR T. THOMAS

Board Chair



BRENT SUKENIK

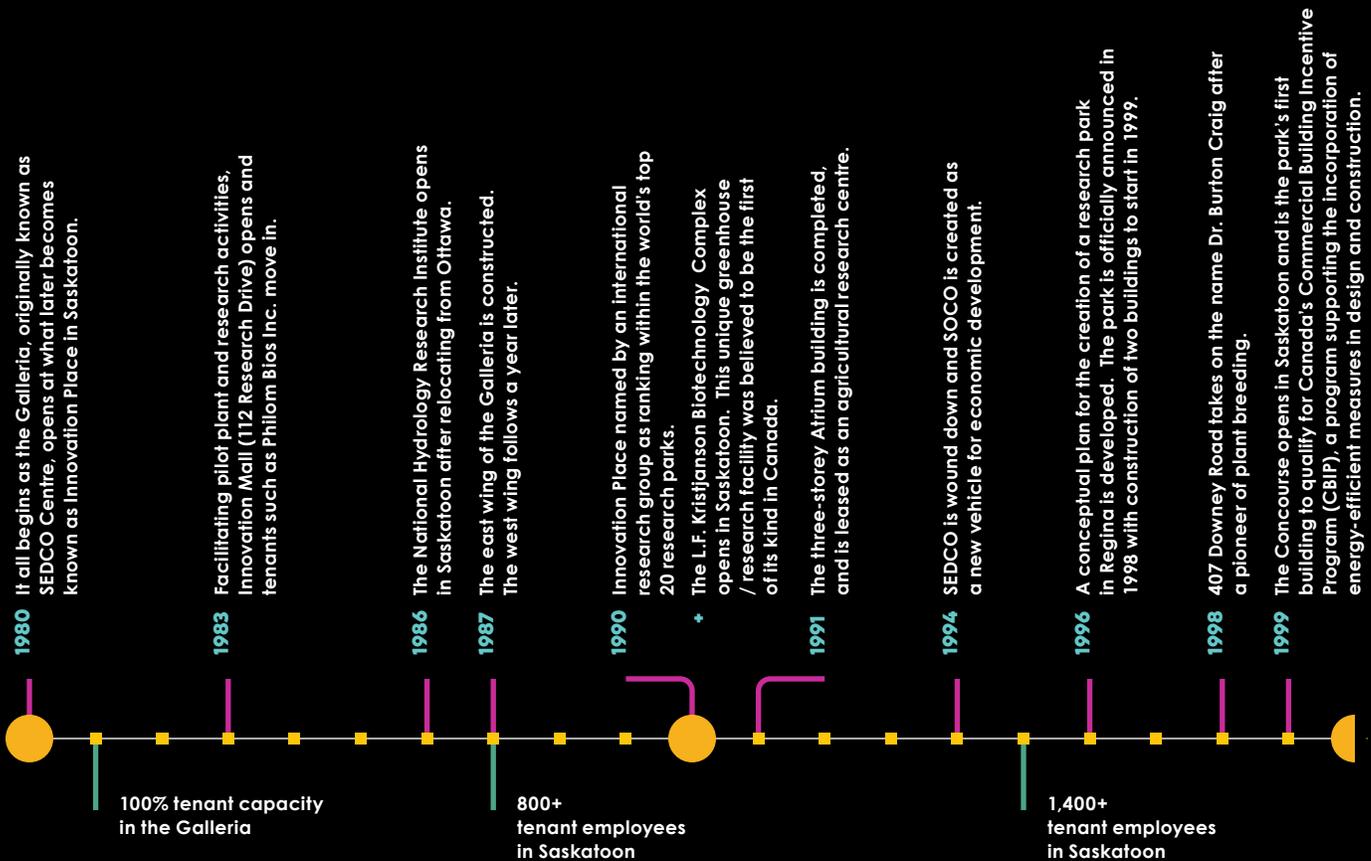
Acting President and Chief Executive Officer

A COMMITMENT TO GROWTH

Innovation Place began as a community built to explore new technologies and ideas.

In 1980, we launched as a singular park in Saskatoon — an 80-acre research and development park with our signature building now known as the Galleria. In 2000, we opened the 78.9-acre Regina Research Park anchored by the Terrace building. Both parks, now known as Innovation Place, have expanded to include 26 buildings and are home to 144 tenants employing approximately 3,700 people. We have had the opportunity to help many companies launch, grow and thrive within our parks and celebrate their continued success in the province and beyond.

While our vision of creating an environment that helps grow Saskatchewan's tech sector is still paramount in our mission, we have forged new and innovative pathways to help our park community thrive. We have expanded our physical space many times over, each new building a beacon of inspiration for the next. Our business development has evolved with the changing needs of tenants and the workplace, and our tenant programming has broadened to encompass the Saskatchewan tech ecosystem, creating a hub for the community to collide and connect.

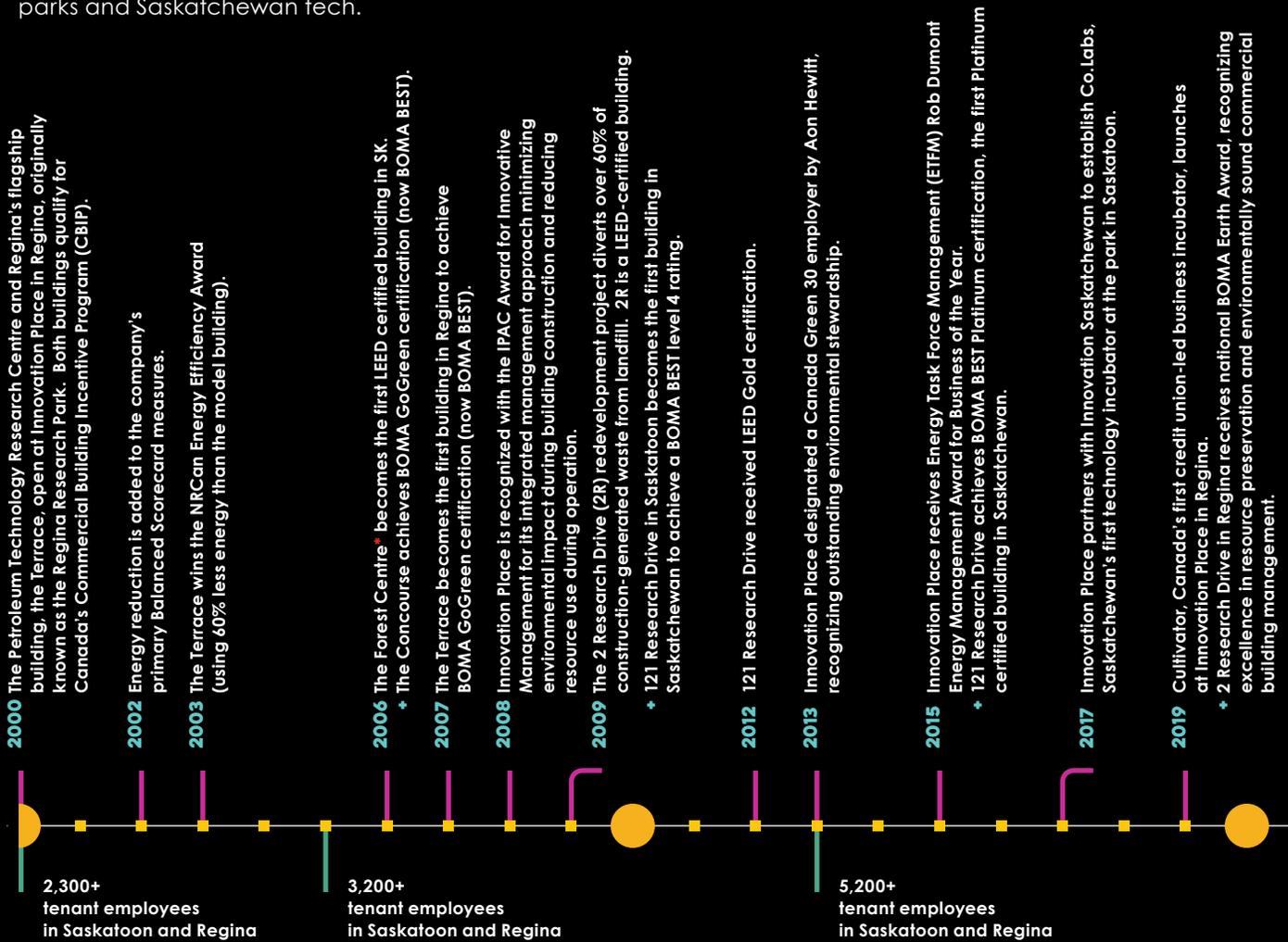




And here we are, 40 years later.

In 2020/21 we celebrated the 40th anniversary of Innovation Place in Saskatoon and the 20th anniversary of Innovation Place in Regina.

As we look into the future of Innovation Place, we embrace the lessons learned from the past and etch them onto our future. We see the potential for so much growth — notably in the Agri-Tech sector and in our early-stage tech companies — and are excited to continue shaping the future of our parks and Saskatchewan tech.



* now owned by the University of Saskatchewan

OUR STRATEGY

Crown Investments Corporation (CIC) has provided all Crown corporations with an outline of the government's policy objectives and priorities. It has also set out the mandated categories for each corporation's Balanced Scorecard. The Board has provided further direction to management through their approval of a corporate vision, values and broad goals specific to Saskatchewan Opportunities Corporation (SOCO). The Business Strategy contained in this document is subject to annual review and monitoring by the SOCO Board.

VISION

Through partnerships and collaboration, SOCO is providing the foundation for innovation, research and technology that supports Saskatchewan's economic prosperity.

MISSION

To support and facilitate the advancement and success of Saskatchewan's technology and key growth sectors through the development and operation of research parks.

MANDATE

The object and purpose of the Corporation is to create, encourage and facilitate business opportunities in the Saskatchewan technology sector, primarily through the development and operation of technology parks.

VALUES

SOCO fully subscribes to the Crown sector values of honesty, integrity, fairness and respect, and social and environmental responsibility. In addition, the following values have naturally grown within SOCO and differentiate us from others in our industry.

Innovation

Innovation in all our business activities.

Collaboration

Open and accountable in all our partnerships.

Excellence

The pursuit of excellence in design, operations and administration.

GOALS

CIC provides all Crown corporations with clear direction for establishing corporate goals. Goals are required to be set in the four categories of Public Purpose, Stakeholders, Financial and Innovation. SOCO's broad corporate goals reflect the mandate and history of the parks.

Public Purpose

To create awareness, attract and support the development of new technology opportunities by providing world-class scientific and social infrastructure that promotes collaboration, growth and innovation.

Stakeholders

To enhance innovation and partnerships thereby allowing engagement of stakeholders to achieve their goals and objectives. SOCO recognizes our key stakeholders include tenants, post-secondary education institutions, industry associations, business communities, government and our employees.

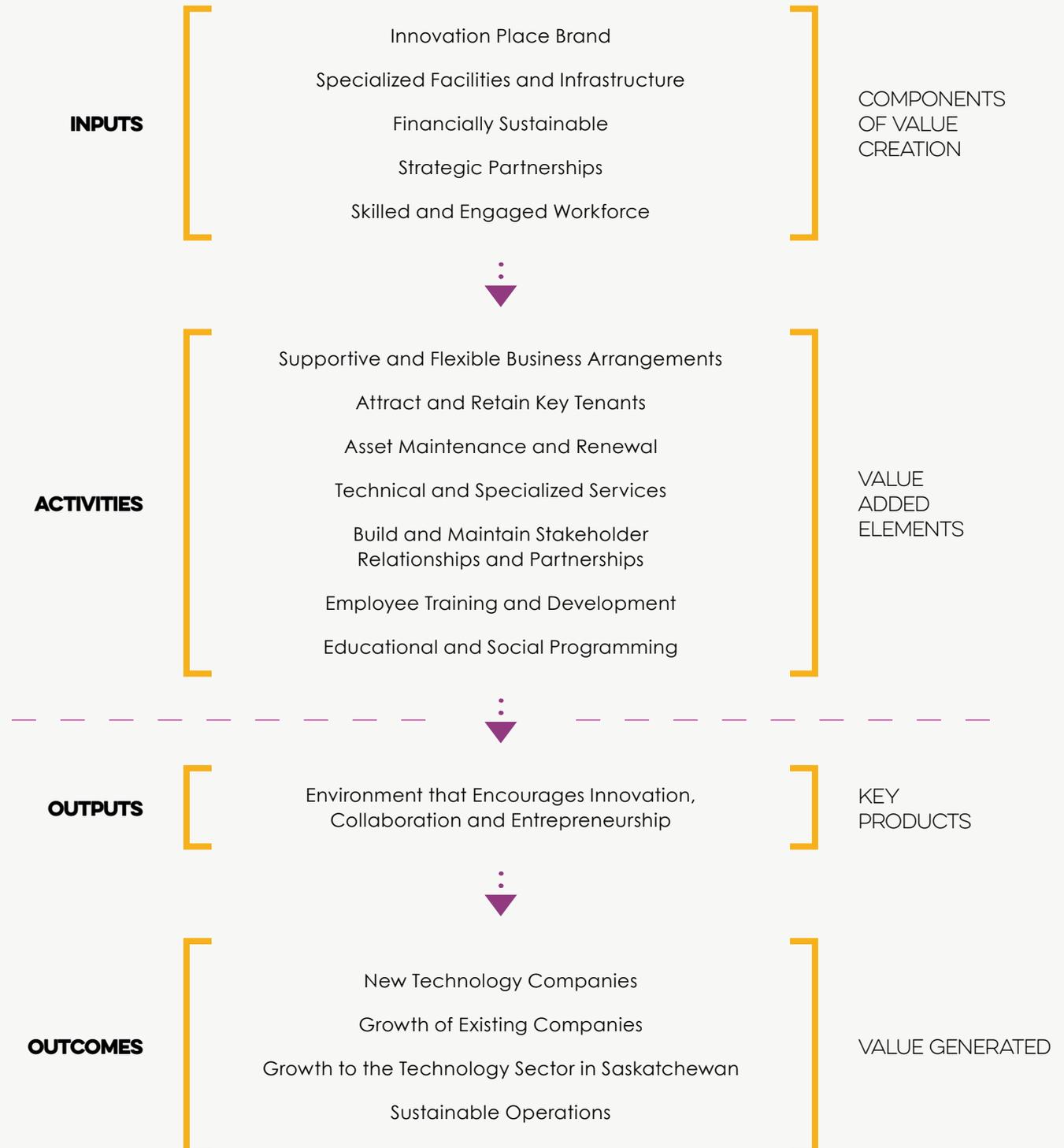
Financial

Maintain profitability at a level that supports the success of our parks by prudently managing expenditures and enhancing revenues while providing superior value to our tenants.

Innovation

SOCO will promote and utilize innovation practices to empower our stakeholders to stimulate high performing commercial successes.

INNOVATION PLACE BUSINESS MODEL



OUR BUSINESS

OUR PURPOSE

TO HELP GROW SASKATCHEWAN'S TECHNOLOGY SECTOR

As depicted in the Business Model diagram on the opposing page, the value we generate can be summarized into four outcomes. The overarching outcome, growth to the technology sector in Saskatchewan, is complemented by three specific outcomes:

- 1 New technology businesses;
- 2 Growth of existing companies; and
- 3 Sustainable operations.

OUR PRODUCT

AN ENVIRONMENT THAT ENCOURAGES INNOVATION, COLLABORATION AND ENTREPRENEURSHIP

Our product, and what sets us apart from real estate companies, is the comprehensive nature of the working environment we provide to our tenants and their employees, and the impact this environment has on growing the technology sector in Saskatchewan.

A diverse mix of technology and service tenants, a dynamic social atmosphere and high quality facilities work together to create a community that encourages innovation, collaboration and entrepreneurship.

We believe that our environment must integrate five key aspects as shown below.

OUR ENVIRONMENT



Tenants / Clusters



Technical



Social / Collaborative



Physical



Business

SASKATOON MANAGEMENT ADVISORY COMMITTEE

Dr. Baljit Singh
Vice President
Research, University
of Saskatchewan

Mr. Kerry Tarasoff
Chief Financial
Officer, City of
Saskatoon

Ms. Judy Yungwirth
Director,
Infrastructure,
Planning &
Development,
University of
Saskatchewan

Ms. Joanne Baczuk
Director, Economic
Development,
Saskatoon Regional
Economic
Development
Authority

Ms. Alix Hayden
Associate Director
Research, Excellence
and Innovation,
University of
Saskatchewan

Ms. Kari Harvey
President and
CEO, Innovation
Saskatchewan

Mr. Mike Crabtree
President and CEO,
Saskatchewan
Research Council

Mr. Brendan Reding
Regional Director,
Industrial Research
Assistance Program,
National Research
Council

REGINA MANAGEMENT ADVISORY COMMITTEE

Dr. Christopher Yost
Associate Vice
President, Research,
University of Regina

Mr. Larry Hiles
Chair, TEC (The
Executive Committee)
Canada

Mr. Neil Paskewitz
Associate Vice
President, Facilities
Management,
University of Regina

Mr. John Lee
President and
CEO, Economic
Development Regina
(EDR)

Mr. Wayne Clifton
CEO and Chairman
of the Board, Clifton &
Associates

Mr. Jim Nicol
Chief Legislative
Officer and City Clerk,
City of Regina

Tenants and Clusters

The primary target for tenants at Innovation Place is Saskatchewan-based, private technology companies. These companies are judged by management to have the greatest opportunity for employment growth and will display the strongest ongoing loyalty to Innovation Place and the province. To assist in the success of these companies, we also target business and technical service organizations, research institutes and national and international technology companies.

Clusters of similar organizations are important to technology parks and have played an important role in the success of Innovation Place. Networks developed between organizations and the individuals within those organizations speed the sharing of ideas and information. Industry-specific clusters such as agriculture share the greatest common interest and collaborate more actively.

Management continues to evaluate all means by which Innovation Place can support the success of existing and appropriate future tenants. All tenants are reviewed from the perspective of their strategic importance to the core technology clusters within the Saskatoon and Regina campuses. Tenants that do not add value to their respective campus clusters are encouraged to relocate to other space within the cities.

An appropriate tenant mix is also ensured by the approval process for prospective tenants. The Saskatoon and Regina parks each have an independent Management Advisory Committee composed of representatives from the local business community, university and municipal government. These committees review and approve all tenants that locate within park facilities.

Technical

The specialized nature of our buildings and infrastructure is a key component in providing the appropriate technical environment required by our tenants. In addition to high quality office buildings, we provide research greenhouse space, growth rooms and a variety of laboratory buildings. Our buildings provide tenants with specialized capabilities needed for sophisticated science and technology activities. Mechanical systems provide the air, water and steam in qualities and quantities that far exceed what is normally available commercially. Certain process utilities such as reverse osmosis water and chilled water for process purposes are distributed on a park-wide basis. Other specialized utilities such as the biological waste treatment system in the East Atrium building in Saskatoon, are available in specific buildings in the parks.

The park network infrastructure differs from a typical office building as both Saskatoon and Regina have multiple paths to the internet. Synchronous internet connections are provided with bandwidth being allotted to each tenant based on square footage leased. All equipment providing internet service is on generator provisioned backup power.

The management of the corporate and park network is handled in-house by the Information Technology department. Buildings connected to this network allow Innovation Place to manage our facilities using automated building management systems for centralized monitoring and control, resulting in increased efficiency. Tenants connected to the network rely on rapid deployment of dependable, high-availability access to the internet and research networks for their business success. This shared service is monitored 24 hours a day, providing an economy of scale and guaranteed quick response time. It also ensures we are proactive with ongoing management and enhancements of the network. Technology solutions are vital to the continued success of our tenants and Innovation Place as a home for the development of science, business, technology and innovation.

Our tenants have access to a wide range of technical services primarily provided by other tenants in our parks. These include contract research and engineering, analytical laboratories and contract processing. Our own employees supplement these services by offering specialized maintenance, prototype development and electronic monitoring of access systems, building systems and tenant equipment. Our employees follow International Organization for Standardization (ISO) 9000 criteria to manage the maintenance function and ensure high quality results while consistently meeting tenant requirements.

Social

The interaction of tenants, important for productive collaboration, is enabled through active programming, including the organization of social events, business seminars, sports leagues and tournaments, fitness facilities, food services, games rooms, yoga and pilates classes. Although the majority of in-person events have been postponed due to the pandemic, they remain a key part of our strategy and will be reinstated once safe to do so.

A weekly electronic newsletter distributed to all tenants provides information on tenant activities, campus events and individual or organizational successes.

The design of buildings and grounds incorporates public spaces that attract employees during the work day and offer multiple opportunities for informal interaction. On-site food services also act as focal points for employee interaction.

Through these various techniques, management supports a sense of community within the campuses that removes barriers to collaboration.

Physical

The physical environment of our campuses serves an important role as well. Attractive buildings and grounds are intended to provide a credible platform for tenants as they market themselves and their products. Our facilities use the most advanced building systems and the newest green technologies, reinforcing our corporate image of innovation and leadership.

The quality of our campuses is also critical in our attempts to attract new tenants and maintain the loyalty of those existing tenants.

Recruitment of new employees, in many cases from locations around the world, is critical to our tenants' success. The employee-friendly amenities and high technical quality of the buildings provide tenants with added tools for recruitment.

Business

We build unique business relationships with each of our tenants. Business is driven by the view that we are partners with our tenants and we can only truly succeed if they succeed; as such, we work to ensure tenants stay in business.

These unique business relationships are built around several different factors including, but not limited to, how we structure our leases, how we price our product, the risk tolerance we accept and general support provided.

The lease terms available to tenants are flexible. We take into account the stage of development of a young company and the financial realities encountered by technology startup companies. We take the long-term risk on the investment in our specialized buildings while remaining willing to enter into short-term lease arrangements with tenants. We design and construct the specific leasehold improvements needed by individual tenants and incorporate a return on those capital costs into our lease rates. We help tenants reduce costs through economies of scale by constantly seeking out services or capital investments that can be shared by multiple tenants.

The way in which we price our product is important to maximizing both our financial returns and the extent to which we fulfill our mandate. In general, we charge a premium over comparable space where such comparisons are possible, for example office space. The premium is justified by the quality of the product and the value the environment provides to tenants.

We do, however, need to provide a great deal of flexibility in the way we price space for early stage companies that aren't yet in a position to afford premium space. Supporting these companies is fundamental to fulfilling our mandate, and on the practical side, they represent the potential to become the major park tenants of the future.

Historically, flexibility has included low initial rates with escalations as the tenants grow and begin to generate more revenue or attract more investment. In some cases, rents can also be based on the level of sales achieved by the tenant. As they grow, our income grows.

CAPABILITY TO DELIVER SUCCESS

Our ability to generate the outcomes we desire comes from the quality of the product we provide. This quality comes from our ability to leverage the value we have created over the years and our ability to maintain and build on this value.

Innovation Place Brand

Innovation Place is recognized as an international leader in the development of infrastructure in support of innovation.

A commitment to sustainable development, evidenced by Leadership in Energy and Environmental Design (LEED®) certification of buildings and the Building Owners and Managers Association of Canada Building Environmental Standards (BOMA BEST) certification of building operations, contributes to our reputation. Active participation in industry associations and the resulting recognition add credibility to the Innovation Place brand.

This reputation brings visitors from around the world to learn from the experience of Innovation Place. These visitors return to their home countries with an understanding of the quality of Saskatchewan's technology sector, enhancing the reputation of the province internationally.

This reputation also makes Innovation Place the preferred location for technology companies in Saskatchewan.

WE ARE COMMITTED TO OUR EMPLOYEES

At Innovation Place, we believe our commitment to help grow the tech sector is only as good as our commitment to help grow our employees.

Since 2010, we have put those commitments front and centre in our constructive culture program, enabling employees to take initiative and personal accountability over their own performance. We continue to adapt our programming to meet the changing needs of our workplace and employees, and in 2020, formalized our **People Strategy**, focused on creating an environment where employees can thrive.

Through our many years, we have learned a strong tech sector needs strong employees. To ensure we continue attracting and retaining highly skilled and engaged employees, we are committed to the following statements:



Sharing a **clear vision** so our employees can see where we're going and why



Actively nurturing a culture of **constructive thinking and behaviour**



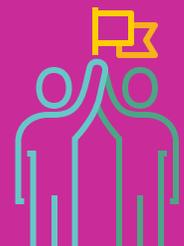
Fostering a **positive work experience** focused on people development



Protecting the **health, safety and well-being** of our employees



Offering a **balanced total rewards package**



Specialized Facilities and Infrastructure

Our world-class facilities represent critical infrastructure for technology organizations in Saskatchewan. The specialized laboratories, greenhouses and pilot plants, along with the scientific utilities, are not available in the general real estate marketplace. In addition, the redundant high-speed data network is distributed to buildings throughout the parks.

Recognizing the importance the technical, physical and social environments play in achieving our overall objectives, we have formal processes in place to ensure our infrastructure is maintained in a way that supports the long-term sustainability of the Corporation. This is achieved through understanding the current and long-term infrastructure requirements and employing appropriate maintenance and capital reinvestment practices to ensure requirements are met.

Effective monitoring and reporting of the condition of the physical assets enables management to make informed decisions on where to focus resources in order to extend the functional life of these assets.

Financially Sustainable

Financial capital for Innovation Place is generated through existing equity, new debt and operating cash flow.

To ensure long-term sustainability, we manage our profitability, debt levels and operating cash flow at a level that both supports the continued maintenance of our parks and allows for future growth, while still addressing the needs of our shareholder.

We are committed to sustainable debt management by continuing to follow our financing policy whereby we only finance capital projects with a cash return sufficient enough to recover the cost of capital and all financing costs.

As new revenue opportunities are limited, we also find innovative ways to control costs while still providing maximum value to our stakeholders. This includes continued focus on process improvements internally, but where possible, collaboration with the private sector and other Crowns.

INNOVATION PLACE SUPPORTS TENANT GROWTH

“Innovation Place has been an invaluable place for us to call home because of their never-ending support and ability to accommodate us as we scale.



Coconut Software provides a customer engagement platform for the financial sector and has seen tremendous growth since its start at Innovation Place in Saskatoon in 2011.

One of our key objectives is removing barriers to entry, especially for early-stage companies. Our flexibility with space and lease arrangements allow us to fit the needs of tenants so they can focus on growth, while we take care of details. Coconut's continued growth and success proves our tools are working.



Strategic Partnerships

A reputation for a partnership approach to business relationships has resulted in strong and productive relationships with several different stakeholders, including the province's universities, contractors, service providers and tenants. We endeavour to collaborate with many different stakeholders to achieve common goals consistent with our mandate and the mandates of our stakeholders. We believe the use of these partnerships to be valuable in creating awareness and attracting new opportunities to Innovation Place.

We leverage the relationships with the two universities to coordinate new business development efforts and ensure we are taking advantage of opportunities arising from the priority areas of research. We are involved with various business organizations and economic development agencies, directly and by providing in-kind support. We also work with our tenants as our partners as they play a large part in contributing to the success of our parks.

Skilled and Engaged Workforce

Innovation Place has a highly skilled and engaged workforce. Significant efforts have been placed on building a constructive culture and increasing employee engagement over the last several years.

Our constructive culture encourages collaboration and achievement, making it possible for employees to make improvements in every area of their workplace. We feel this is critical to the success of our continued efficiency initiatives. Our corporate value of innovation motivates our employees to pursue creative efficiencies.

To ensure Innovation Place maintains an effective workforce that is productive and provides service quality, we continue to invest in training and other initiatives aimed at improving employee engagement and maintaining our constructive culture. Providing a safe environment for all employees continues to be a priority, as is workforce planning to ensure our future staffing requirements will be met.



INNOVATION PLACE SUPPORTS TENANT GROWTH



Being a part of the community at Innovation Place has been an important part of our business development. We've learned so much through the speakers and events, while also gaining a lot of insights from our fellow entrepreneurs in the hallways.

Katrina German is an award-winning entrepreneur, speaker and mentor specializing in communications, technology and digital strategy, located at Innovation Place in Saskatoon.

We pride ourselves on providing opportunities for collaboration within our community. Our bustling ecosystem provides a natural hub for the tech sector to connect with mentors, talent, investors and partners and our communal spaces create organic collisions between tenants. Our extensive programming facilitates forums to network, learn and create business opportunities, fostering a vibrant park community.

**KATRINA
GERMAN**



The Galleria

The Galleria, originally known as SEDCO Centre, with its now iconic golden windows, along with the Galleria Bowl and pelican fountain opened in 1980 at Innovation Place in Saskatoon.

Photos clockwise from top: The Galleria in 1980; Work begins on the Galleria Bowl and fountain in 1987; The Galleria in 2017; Opening day celebrations in 1980.



MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

The following management discussion and analysis for Saskatchewan Opportunities Corporation (SOCO) should be read in conjunction with the audited consolidated financial statements and notes to those statements for the year ended March 31, 2021. What follows will provide the context within which the Corporation's financial statements should be analyzed.

FORWARD LOOKING INFORMATION

This discussion includes forward looking statements about the corporate direction and financial objectives of SOCO. Due to the risks and uncertainties inherent in any forecast, the actual results could differ materially from those anticipated.

CORE BUSINESS

SOCO operates under the business name Innovation Place. The corporate mission is to support and facilitate the advancement and success of Saskatchewan's technology and key growth sectors. Innovation Place fulfills this mission through the development and operation of technology parks adjacent to the province's two universities in Saskatoon and Regina.

The Saskatoon campus began operations in 1980 and presently is home to 112 tenants that occupy approximately 1.3 million square feet in 20 separate buildings. The Regina campus, opened in 2000, consists of 6 buildings housing 32 tenants and totaling approximately 465,000 square feet. The number of people working in Innovation Place facilities is approximately 3,700.

CORPORATE STRATEGY

Since 2014, SOCO has supported five key strategic priorities, which have been imbedded into the corporate strategic objectives. The five priorities and associated strategic objectives are as follows:

- 1 Enhance Innovation:** Continued emphasis on the development of new private sector businesses in Saskatchewan's technology sector.

Strategic objectives: Attract technology opportunities;
Support technology opportunities

- 2 Communicate Our Purpose:** Particularly to the technology, education and business communities.

Strategic objective: Create awareness

- 3 Foster Collaboration and Growth:** Foster collaboration with existing key partners and pursue new partnerships with other suitable organizations.

Strategic objectives: Build and maintain partnerships;
Attract technology opportunities

- 4 Maximize Efficiency in Operations**

Strategic objective: Operating efficiency

- 5 Attract and Retain Valuable and Compatible Tenants:** Ensure we are attracting and retaining appropriate tenants for a research and technology park.

Strategic objective: Space utilization

In August 2020, the SOCO Board and Executive team held a strategic planning session to review the current strategic plan and environment, and discuss potential changes to the strategic priorities. Through the facilitated discussion, the Board confirmed the five priorities were still appropriate but also identified areas where more attention should be directed going forward. In particular, the Board sees an opportunity for SOCO to take more of a leadership role in coordinating efforts in building the tech ecosystem in Saskatchewan.

COVID-19

The COVID-19 pandemic has had a significant impact on the Corporation's operations. As the pandemic continued to impact the way we work, approximately 45% of our employees continue working remotely. Our maintenance staff and a reduced number of administrative staff remained on-site to ensure no service disruption to our tenants. There were several changes throughout the year to ensure the safety of our employees and tenants. As public health measures were implemented and adjusted throughout the course of the year, we also adjusted our employee safety measures to ensure we were adhering to the requirements and recommendations of the Government of Saskatchewan and Chief Medical Health Officer.

We continued to utilize VPN access and Webex capabilities to allow for Innovation Place employees to work remotely. Learning activities shifted to online formats and our Saskatoon and Regina reception areas closed temporarily due to the high number of positive COVID-19 cases in the province.

To ensure the safety of our tenants, staff and visitors, janitorial staff provided frequent, ongoing sanitation of touch points in our buildings and protocols were implemented for deep cleaning and sanitation, should an occupant test positive. Tenant amenities, including food services and fitness facilities, provided limited services. Programming activities moved to live webinars and pre-recorded sessions. Meeting rooms and common spaces were modified to ensure physical distancing and necessary signage has been installed.

As our tenants' employees continued to work from home, we saw increased internet usage on our network which led us to negotiate new internet contracts with our service providers and configure our network to allow our tenants to take advantage of additional bandwidth. We also implemented video-conferencing capabilities in our common meeting rooms in Saskatoon. To assist with the financial pressure some of our tenants are facing during the pandemic, we offered a flexible deferred rent payment plan with nine tenants enrolling in the plan.

In anticipation of tenants returning to the workplace, we have established a senior managers working group. Our objective is to demonstrate how Innovation Place can assist tenants in bringing their employees back to the office. The working group is focused on six priority areas:

- Understanding our tenants' needs
- Ongoing communication
- Industry trends
- Best practices
- Services and amenities
- Programming and culture

The largest financial impact of COVID-19 for 2020/21 was reduced parking revenue of \$0.7 million as approximately 40% of tenant employees were working remotely on a full-time basis. We have observed renewing tenants seeking reduced rates, although the majority of these discussions to date have resulted in steady or minimal rate reductions. However, due to overall uncertainty and what may be an anticipation of lower rates in the future, some renewing tenants are exploring the option of shorter lease terms.

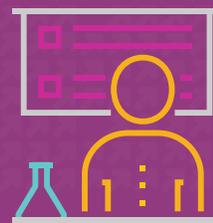
“
Being able to confirm COVID-19 test results within the province helped give more time to our public health partners as they tracked down and controlled sources of transmission in Saskatchewan.

**ROY ROMANOW
PROVINCIAL
LABORATORY**

The Roy Romanow Provincial Laboratory (RRPL), located at Innovation Place in Regina, works to identify, respond to and prevent illness and disease in the province.

In March 2020, RRPL gained the ability to do confirmatory testing for COVID-19, drastically speeding up and aiding the public health response in controlling the transmission in the province, with no provincial outsourcing required.

RRPL's push to expand their services showed true innovation and resilience during unprecedented times.



ADVANCING OUR STRATEGY

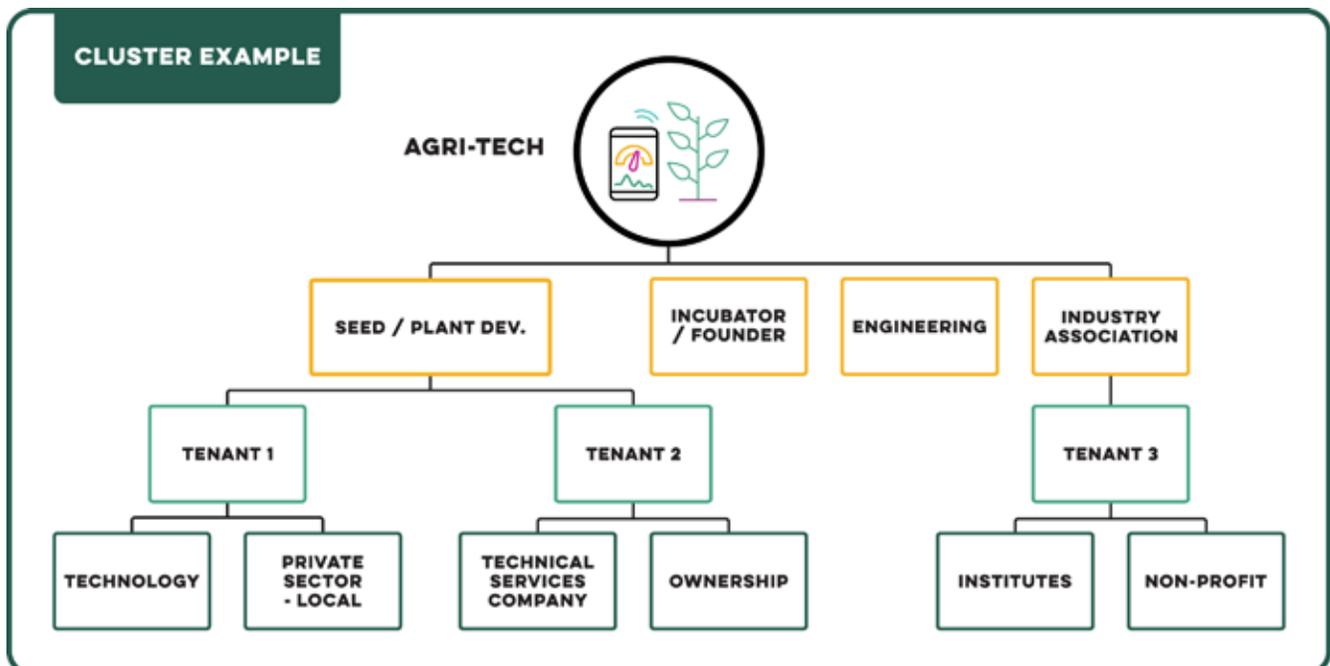
Although the pandemic had a significant impact on operational priorities, we were still successful in advancing several strategic initiatives.

Review of Clusters

We continue to advance our evidence-based framework to categorize the various clusters and sub-clusters. The graphic that follows provides an example of how such a cluster breaks down. Our data analysis resulted in identifying six main clusters within our two parks: Agri-Tech; Health & Life Sciences; Information & Communications Technology; Natural Resources; Industry Services & Support; and Other.

Understanding our strategic clusters gives us valuable management information that allows us to direct our leasing activities (particularly in sub-sectors) to ensure we are focused on emerging trends. This also enables us to direct our marketing activities to build on the strengths of our tenants and how these integrate with the priorities of both universities. Further, this influences our programming activities to ensure our areas of focus will be relevant to our tenants, as well as our space allocation decisions.

Diverse clusters also minimize risk to the Corporation resulting from fluctuating market conditions. For example, the Agri-Tech cluster has remained strong through the pandemic. While the greenhouses and growth chambers have remained occupied in the L.F. Kristjanson Biotechnology Complex, there is also demand for specialty space in other buildings. The Global Institute for Food Security (GIFS) has started occupying 33,000 square feet of lab, greenhouse and office space in 421 Downey Road. This strategic partnership has significant potential for spin-offs into the Saskatoon park as GIFS attracts global agri-tech companies seeking commercialization opportunities.



Support For New Technology Businesses

Innovation Place continues to support and partner with existing technology business incubators while collaborating on new opportunities. The very successful Co.Labs commenced operations at Innovation Place in Saskatoon in 2017, and has helped more than 120 companies through their four program streams. While Cultivator, Conexus Credit Union's business incubator, relocated to the new Conexus location as planned, the relationship remains open and active so the Regina park can continue to be a soft landing place for graduating companies. With the success of Co.Labs and Cultivator, other sectors are following their lead. The Petroleum Technology Research Centre at Innovation Place in Regina has recently rebranded as an energy incubator and accelerator while potential opportunities are being explored in agri-tech and clean-tech. This model of collaboration is exciting and we look forward to potential partnerships with other relevant incubation entities.

Startupville, a podcast series developed in conjunction with Martin Charlton Communications, continued through 2020/21. The podcast features interviews with startup founders and tech community leaders discussing what it is like to build a startup in a small city. To date, we have completed and distributed 61 episodes of this critically acclaimed podcast as part of our regular series. A special series titled "How Tech Leaders are Facing the COVID-19 Crisis Head On" was recently developed outside our regularly planned series. The topic focused on how the business world is changing because of a pandemic and how businesses will need to also pivot to be responsive to the new realities.

Innovation Place provides large software and software service companies with the ability to initiate business arrangements with many new and formative technology companies. In an effort to further support our new and nascent tech tenants, we have developed a series of leveraged partnerships that we offer to these businesses.

Currently we have 17 such arrangements in place. Some of these are focused on cloud-based platforms for "software as a service" with tech giants such as IBM, Google and Amazon. Others present complex and proven components of technology platforms readily available for utilization by small businesses (e.g. Stripe's state of the art reliable payment processing systems). Through our leveraged partnership programs companies have access to credits potentially in excess of \$300,000, discounts up to 50% and exclusive tools and services to help grow their businesses. As of March 31, 2021, 55 of our tenants have entered into 97 business arrangements through this program. Further information on these partnerships can be found at: innovationplace.com/partnerships.

In the fall of 2020, Innovation Place launched a new website that was refocused as a marketing tool to attract potential tenants while providing easy access to resources for existing tenants.

Programming

A significant part of our efforts to assist with the development of our tenants is the extensive amount of programming delivered. The programming largely focuses on enhancing the business, technical and innovation skills of our tenants. Programming also plays a significant role in providing the social environment required to promote the interaction of tenants.

Innovation Place is built on collaboration, clustering and networking, which historically meant bringing people together. Since that was not possible during the pandemic, our teams repositioned our programming to virtual formats. All educational sessions were delivered via webinar, the Startupville podcast content and timing were adjusted to be current and quicker, and a new series called Brain Bites was developed and launched specifically for digital consumption. During 2020/21, between Saskatoon and Regina, we delivered 66 programs, attended by almost 4,600 people.

INNOVATION PLACE SUPPORTS STARTUPS

We know startups are a vital part of the tech sector and that they have different needs for growth. Since 1993, Innovation Place has supported just under 200 startups with our flexible arrangements, supportive partnerships and commitment to their growth.

In 2017, we partnered with Innovation Saskatchewan and key stakeholders to establish Co.Labs, Saskatchewan's first technology incubator, at Innovation Place in Saskatoon. Co.Labs has become a premier accelerator and has incubated more than 120 startups since its inception.

In 2019, Cultivator, Canada's first credit union-led business incubator, launched at Innovation Place in Regina for its first year. Cultivator has since grown into its own space and continues to make an impact in the Regina tech sector.

We continue to collaborate with partners at and beyond Innovation Place to make our parks the destination for early-stage companies looking to scale, grow and move fast.

~200

**STARTUPS
SUPPORTED
SINCE 1993**

68%

**OF THESE
STARTUPS
ARE STILL IN
OPERATION**

the majority are
still operating in
Saskatchewan



People Strategy

In 2020/21 we formalized a People Strategy which outlines our commitment to our employees focused in five key areas:

- Sharing a clear vision so our employees can see where we're going and why
- Protecting the health, safety and well-being of our employees
- Actively nurturing a culture of constructive thinking and behaviour
- Fostering a positive work experience focused on people development
- Offering a balanced total rewards package

Innovation Place strives to attract and retain top people for our team. This is directly aligned with the Crown Sector Strategic Priority of a skilled, productive and developed workforce. Our employees continue to be critical to our success by adding value through their work to achieve our corporate outcomes. It is estimated that 50% of our employees will reach or consider retirement in the next 15 years. For Innovation Place to meet future strategic and operational demands we must continue to develop our employees and ready them for advancement by creating a steady flow of talent to address succession and organizational requirements.

Our business strategy is an essential tool to help us fulfill our mandate. Critical to our success is our employees who are customer facing and operationalizing our strategy every single day. To ensure we are able to attract and retain highly-skilled, constructive and engaged employees to help us achieve our goals, we are committed to the above statements. The People Strategy directly supports the overarching corporate strategy to help grow Saskatchewan's technology sector now and into the future.

BUSINESS ENVIRONMENT

Although we have a number of tenants looking to expand and pursue new opportunities, the departure and downsizing of significant tenants experienced in the last few years, and forecasted for the coming year, continue to have a negative impact on overall vacancy.

Compared to the early 2000s when vacancy at Innovation Place was between 3% and 5%, we have seen vacancy levels of 10% or higher since 2016. This higher vacancy situation is consistent with commercial vacancy trends in both cities. By way of example, at December 31, 2020, Colliers International advised that vacancy rates in Saskatoon and Regina were 15.8% and 14.1% respectively. As of March 31, 2021, our vacancy rates were 13.45% (Saskatoon) and 18.94% (Regina).

This situation, in turn, creates additional financial and operational pressures for Innovation Place. As landlords in these cities attempt to reduce their vacancy, the risk of losing existing key tenants integral to maintaining current clusters increases. Additional pressures in the marketplace also reduce, and in some cases eliminate, the opportunity to achieve rate increases on lease renewals.

Similarly, while most of our facilities are unique technology buildings, the downward pressure in the economy has forced enhanced competition in most real estate situations. Accordingly, there is potential that lease rates could be falling, not staying the same or rising.

Higher vacancy also has an impact on general capital requirements. With the objective to attract and retain the right tenants to support the environment we provide, it often translates into a requirement to invest in tenant improvements for vacant space. The necessity for this is compounded by the current high vacancies in the markets in which we operate.

The current business environment creates an opportunity for Innovation Place. Having a healthy balance of vacant space is necessary for Innovation Place to meet its mandate to grow the technology sector. Having vacancy also allows Innovation Place to respond to sudden tenant growth and to have space available for new companies starting up in Saskatchewan. Currently there are several discussions underway in this regard.

BALANCED SCORECARD RESULTS

Crown Investments Corporation provides all Crown corporations with clear direction for establishing long-term planning. Corporate objectives, measures and targets are established for the required categories of Public Purpose, Stakeholders, Financial and Innovation. The Balanced Scorecard (BSC) is used to measure and report performance and results for these goals.

Indicator Legend

Indicator lights are used to illustrate Balanced Scorecard performance.

-
- Exceeded target by 20% or greater

 - On target, from 5% below to 20% above

 - Slightly off target by up to 20%

 - Off target by greater than 20%

Public Purpose

To create awareness, attract and support the development of new technology opportunities by providing world-class scientific and social infrastructure that promotes collaboration, growth and innovation.

Create Awareness

1	Percentage of stakeholders aware of Innovation Place and its purpose	
	2019/20 Actual	63%
	2020/21 Target	75%
	2020/21 Actual	69%

We continue to focus on the implementation of the Corporate Communication Strategy. The objectives of the communication strategy include:

- To be **DISTINGUISHED** as a provider of unique facilities and collaborative opportunities that support economic growth in Saskatchewan;
- To be **TOP OF MIND** with the technology sector, other economic development agencies, ownership and post-secondary education institutions;
- To develop informed and well-positioned **ADVOCATES**; and
- To enhance community and business **PARTNERSHIPS**.

Based on the stakeholder awareness survey completed in the fourth quarter, 69% of stakeholders are aware of Innovation Place and its purpose. The survey was distributed to 115 stakeholders representing various organizations considered key to the success of Innovation Place.

Overall awareness is based on responses to six specific statements derived from the Communication Strategy.

- Innovation Place helps grow Saskatchewan's technology sector.
- We are focused on assisting new technology companies, facilitating growth of existing technology companies and contributing to the technology sector community.
- We provide an environment that encourages innovation, collaboration and entrepreneurship.
- Our campuses provide a unique physical, technical, social and business environment designed to support the needs of the technology sector.
- Innovation Place infrastructure allows tenants to benefit from economies of scale in accessing specialized facilities, services and amenities they might not be able to access on their own.
- We create clusters of similar organizations that support Saskatchewan's key growth sectors.

Stakeholders were asked to share their agreement for each statement based on a four-point scale (agree, somewhat agree, somewhat disagree and disagree). For purposes of this measure, only the "agree responses" were included; "somewhat agree responses" were not included.

Attract Technology Opportunities

2	Number of startup companies locating at Innovation Place	
	2019/20 Actual	13
	2020/21 Target	12
	2020/21 Actual	12

Local companies involved in technology continue to be our primary target market as they are the most prone to grow and stay in Saskatchewan. Encouraging the establishment of new companies increases the potential for corporate successes that can dramatically impact the economy.

Management actively markets within the province at local events specifically aimed at entrepreneurs to inform and attract startup companies to Innovation Place. We also leverage the research activities being completed at the two universities and partner with various entities to identify startup companies and provide resources.

In total, Innovation Place has supported the establishment of just under 200 new private sector startup companies since 1993.

Support Technology Opportunities

3	Percentage of tenants benefiting from flexible and supportive business arrangements	
	2019/20 Actual	31%
	2020/21 Target	30%
	2020/21 Actual	31%

This measure reflects only those flexible and supportive business arrangements that are considered significant in contributing to the success of the tenant (lease rates, specialized lease terms, accounts receivable tolerance, other financial considerations and space sponsorship).

Of the 144 tenants located at Innovation Place at March 31, 2021, 45 (31%) are benefiting from flexible and supportive business arrangements.

Private Sector Engagement

4	Percentage of non-government tenants	
	2019/20 Actual	89%
	2020/21 Target	87%
	2020/21 Actual	88%

A tenant qualifies for this measure when they are not deemed a federal, provincial or municipal government department or Crown corporation.

The number of non-government tenants at Innovation Place at March 31, 2021 is 127 or 88% of our total tenant base.

OUR TENANTS' SUCCESS IS OUR SUCCESS



Innovation Place has watched our company grow from ideation to a fast-scaling team of 19 people in 2 years, and has been there to support us in our growth. The team here in the park has truly showed up and delivered when it comes to working with companies like ours in growth and scale.

SALONSCALE™

SalonScale is a software platform that helps hair salons globally make data-driven decisions in their business. This year, SalonScale graduated from the Co.Labs Co.Lead program and landed at Innovation Place in Saskatoon.

A key phrase at Innovation Place is "our tenants' success is our success" so we make sure to work with tenants, adapt to their needs and support growth however we can through flexible lease and space arrangements, specialized infrastructure, collaborative partnerships and more.

Stakeholders

To enhance innovation and partnerships thereby allowing engagement of stakeholders to achieve their goals and objectives. SOCO recognizes our key stakeholders include tenants, post-secondary education institutions, industry associations, business communities, government and our employees.

Build and Maintain Partnerships

5 Number of unique business partnerships in place to advance the goals of Innovation Place



2019/20 Actual	25
2020/21 Target	20
2020/21 Actual	27

This measure captures the quantity of partnerships where we play an active and meaningful role and the outcome of the partnership includes the advancement of a strategic objective of Innovation Place.

Collaboration efforts and partnerships are prevalent throughout the operations of Innovation Place. There were 27 partnerships utilized in 2020/21, exceeding the criteria for this measure. During the year, we continued to expand partner credits and discounts aimed at helping our tenants accelerate their growth while limiting their risk. Categories include developer tools, marketing and customer engagement, recruitment services and people and culture.



Skilled and Productive Workforce

6	Percentage of employees fully engaged in their work	
	2019/20 Actual	78%
	2020/21 Target	80%
	2020/21 Actual	75%

An annual survey of employees conducted by Kincentric determines the Corporation's level of employee engagement and then ranks that level against small- and medium-sized companies across Canada. The survey incorporates all three drivers of engagement — say, stay and strive (engaged employees generally say positive things about their company, want to stay at their company and strive to do their best work so their company succeeds).

Based on the survey completed in September 2020, 75% of Innovation Place employees are engaged in their work. The participation rate for the survey was 94%, which provides a high level of confidence in the accuracy of the results. Although slightly below target, this remains a very positive result and places Innovation Place in the top quartile of small- and medium-sized employers surveyed in North America.

7	Average training days per employee	
	2019/20 Actual	5.9
	2020/21 Target	5.0
	2020/21 Actual	5.6

To ensure Innovation Place builds an effective workforce that is productive and provides service quality, management places value in employee training. We dedicate an average number of days per employee to be invested in enhancing the knowledge and skills of our employees.

The average training days per employee for the year was 5.6. Training in key areas continues to be maintained and alternative lower cost training promoted. In total, 3,560 hours of training was completed.

Tenant Satisfaction

8	Percentage of CEOs that would recommend Innovation Place to another organization	
	2019/20 Actual	94.5%
	2020/21 Target	98%
	2020/21 Actual	92.2%

To ensure Innovation Place meets customer growth challenges while maintaining high levels of service quality and customer satisfaction, the Corporation surveys tenant CEOs and asks them "Would you recommend Innovation Place to potential tenants?" to determine overall satisfaction.

The extent to which our tenants approve of our strategies is key to future financial performance and is indirectly related to their own ability to grow and to support our growth through tenant referrals.

The survey results show that over 92.2% of the CEOs would recommend Innovation Place to potential tenants. This high rating reflects both the quality of facilities and the quality of operations. Specific examples include the timeliness of maintenance response, the availability of specialized services on-site, the specialized nature of the facilities and the active social environment.

The attractiveness of the physical environment and the park amenities also contribute to tenant satisfaction by assisting tenants' marketing and recruitment efforts.

Financial

Maintain profitability at a level that supports the success of our parks by prudently managing expenditures and enhancing revenues while providing superior value to our tenants.

Financial Sustainability and Flexibility

9	Cash return as a percentage of cost of assets	
	2019/20 Actual	4.78%
	2020/21 Target	4.20%
	2020/21 Actual	3.81%

Cash from operations represents the capital available to meet our mandate and our public purpose goal by funding future growth. Adequate cash from operations is also needed to maintain our assets and ensure the financial stability of our company.

Cash from operations as a percentage of the original cost of assets is used as the primary measurement of financial performance because it is not impacted by internal accounting or financing policies. It is also easily compared to other real estate companies. Cash from operations consists of earnings before interest and amortization. Interest expense is excluded from the calculation to expose the true cash generation potential of the assets.

The Corporation's long-term benchmark for cash return is 5%. The last industry comparison, completed late in 2012, confirms Innovation Place performs within the range of the industry average range (4% to 9%) for companies its size.

The cash return for the year is 3.81%, slightly lower than the 4.20% target set for the year.

10	Debt ratio	
	2019/20 Actual	22.72%
	2020/21 Target	26.68%
	2020/21 Actual	21.81%

To measure the financial sustainability of the company we monitor our debt ratio. The measure reflects the net outstanding debt as a percentage of the total corporate financing structure (debt plus equity). Net outstanding debt includes notes payable and long-term debt, and is net of cash available to repay debt.

The ratio at March 31, 2021 is below the year-end target due to a higher cash balance at the end of the year. The forecasted ratio for the short term is well under the long range debt ratio target of 60%.

Operating Efficiency

11	Corporate administration as a percentage of revenue	
	2019/20 Actual	10.13%
	2020/21 Target	11.61%
	2020/21 Actual	10.86%

In an effort to measure our administration costs against industry standards, we compare our corporate administration costs against total revenue. This measure of operating efficiency is a standard industry ratio and allows easy comparison against both industry standards ranges and individual publicly traded companies. The last industry comparison, completed late in 2012, confirms Innovation Place performs at the efficient end of the industry average range (4% to 31%) for companies its size.

The percentage for 2020/21 is lower than the annual target due to reductions in various administrative expenses, including reductions in travel and training costs due to the pandemic.

12	Building operating cash flow per square foot	
	2019/20 Actual	\$12.60
	2020/21 Target	\$11.92
	2020/21 Actual	\$11.24

Building operating costs (i.e. utilities, taxes, insurance and maintenance) are subtracted from total rental revenue. The remaining total is divided by the gross area of all Innovation Place buildings. The net dollar amount per square foot measures both the efficiency level of building operating costs and the success in revenue maximization. The measure can be compared to the local market where information is available; however, many landlords prefer not to share information on their net cash flow.

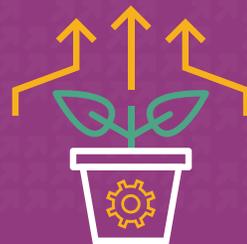
The building operating cash flow per square foot for 2020/21 was \$11.24. The variance compared to target is the result of lower rental revenue.

“ For the tech cluster to thrive, we need multiple players driving toward some common goals. Innovation Place is one of those players in the tech ecosystem. We enjoy Innovation Place because it allows us to interact with other creative, forward-thinking organizations.

PRAXIS

Praxis Consulting is a full-service management consulting firm that works with organizations to determine key opportunities and challenges. Praxis has been located at Innovation Place in Regina since 2011.

Clustering industry-specific sectors within our parks provides an environment where tenants can connect and collaborate. Our strategy has created a robust network that keeps tenants engaged with each other, their sector and beyond, fostering a more innovative and interconnected tech ecosystem.



WE WERE GREEN BEFORE IT WAS COOL

"Sustainability is at the root of all we do. It's the way we do business."

— Gord Joorisity, Executive Director,
Project Management for Innovation Place

Innovation Place has a long-standing commitment to environmental sustainability. We infuse it into every aspect of our work to make sure our environment and values reflect and align with those of our tenants.



Our parks are home to
14 BOMA BEST certified buildings
and **2 LEED certified buildings**.

Our sustainable construction and building management practices provide tenants with a superb working environment with unique systems, features and amenities like superior air quality, low levels of offgassing from building materials and enhanced access to daylight.



Our **comprehensive recycling programs** reduce waste through non-generation of waste and appropriate disposal.

Our **robust green initiatives** program adds value for tenants looking to develop their companies in an environment that reflect their values.

Innovation

SOCO will promote and utilize innovation practices to empower our stakeholders to stimulate high performing commercial successes.

Environmental Sustainability

13	Attain 'BOMA BEST' average points per building	
	2019/20 Actual	79.4%
	2019/20 Target	82.0%
	2020/21 Actual	81.5%

The Building Owners and Managers Association (BOMA) is the dominant Canadian and international industry association for building owners. BOMA Canada has instituted a process by which the environmental impact of buildings can be measured and compared against the performance of buildings across Canada. BOMA BEST measures the sustainability of building operations, including waste management, energy and water usage.

BOMA BEST assessments were completed on four buildings during the year. All buildings retained their silver ratings except the Galleria which increased from silver to a gold rating.

Space Utilization

14	Vacancy as a percentage of total space inventory	
	2019/20 Actual	11.5%
	2020/21 Target	15.05%
	2020/21 Actual	14.96%

Vacancy is a standard industry measure that allows for easy benchmarking. It provides us with valuable information beyond simple comparison. To meet our mandate we must maintain a certain level of vacancy so we are capable of reacting to opportunities. Rather than attempting to minimize vacancy, we have the responsibility to properly manage vacancy to balance the need for inventory with the cost in lost revenue from vacant space.

The overall vacancy rate at Innovation Place increased to 14.96% during 2020/21. Two large tenants each downsized a significant amount of space, including one in the Regina park early in the year and the other in the Saskatoon park at the end of December. This was somewhat offset by the addition of the Global Institute for Food Security (GIFS) that began occupying a large amount of space through a lease between Innovation Place and the University of Saskatchewan. The space is lease committed and GIFS will fully occupy their premises mid-year.

Infrastructure Sustainability

15	Building condition score	
	2019/20 Actual	86.69
	2020/21 Target	88.00
	2020/21 Actual	85.98

The building condition score measure was adopted in 2014. The scoring system used was internally developed as a management tool to ensure all departments involved in the management of buildings have a common understanding of condition and areas of priority. The model building score (2020/21 target) reflects the acceptable standard set for Innovation Place. The condition of a variety of elements and systems within an asset are assessed individually, and then those ratings are combined into a total score reflecting the overall condition of that asset. Assets are assessed every two years.

In total, there were 7 buildings assessed during the current year. The consolidated score for assets assessed in the last two years is 85.98.



The Terrace

The Terrace opened in 2000 as the flagship building at the Regina Research Park, now known as Innovation Place in Regina.

Photos clockwise from top: Landscape work begins in 2000; Grand opening celebrations took place in 2001; Construction of the Terrace Rotunda skylight; Construction of the Terrace and Petroleum Technology Research Centre begins in 1999.



FINANCIAL

Comparison of results for the year ended March 31, 2021 to the year ended March 31, 2020 (\$millions)

	2020/21 Actual	2019/20 Actual	Variance
Revenue	\$ 37.5	\$ 39.5	\$ (2.0)
Expenses	(35.3)	(34.2)	(1.1)
Net Finance Expense	(1.6)	(1.7)	0.1
Discontinued Operations	—	(0.6)	0.6
Net Income	\$ 0.6	\$ 3.0	\$ (2.4)
Total Assets	\$ 192.5	\$ 195.1	\$ (2.6)
Total Debt	\$ 55.2	\$ 56.3	\$ (1.1)
Net cash provided by operating activities, excluding working capital adjustments	\$ 11.4	\$ 13.9	\$ (2.5)
Total Capital Investment	\$ 5.8	\$ 4.0	\$ 1.8
Dividends Paid	\$ 0.6	\$ 2.8	\$ (2.2)
Equity Repayment	\$ 1.0	\$ 1.0	—

Net income for the year ended March 31, 2021 is \$0.6 million, \$2.4 million lower than the net income of \$3.0 million from the prior year. The decrease in net income is due to the increase in vacancy and decrease in parking revenue. The average monthly vacancy for fiscal 2020/21 was 13.8%, up from the average in the prior year's average of 12.2%.

Total expenses increased by \$1.1 million due to increases in various recoverable building costs (grants in lieu of property taxes, building repairs and maintenance, and utilities). The impact on net income was offset by increased recovery on occupancy cost revenue.

Total capital investment increased by \$1.8 million when compared to the prior year. The total from the current year includes costs related to two large one-time projects; there were no comparable projects completed in the prior year.

Comparison of actual results to the approved budget for the year ended March 31, 2021 (\$millions)

	2020/21 Actual	2020/21 Budget	Variance
Revenue	\$ 37.5	\$ 39.4	\$ (1.9)
Expenses	(35.3)	(36.1)	0.8
Net Finance Expense	(1.6)	(1.8)	0.2
Net Income	<u>\$ 0.6</u>	<u>\$ 1.5</u>	<u>\$ (0.9)</u>
Total Assets	\$ 192.5	\$ 193	\$ 2.0
Total Debt	\$ 55.2	\$ 57.6	\$ (2.4)
Net cash provided by operating activities, excluding working capital adjustments	\$ 11.4	\$ 12.6	\$ (1.2)
Total Capital Investment	\$ 5.8	\$ 11.6	\$ (5.8)
Dividends Paid	\$ 0.6	\$ 1.4	\$ (0.8)
Equity Repayment	\$ 1.0	\$ \$1.0	\$ —

Net income for the year of \$0.6 million was \$0.9 million lower than what was budgeted.

Revenue for the year was \$1.9 million less than budget. Although the actual average vacancy rate for the year was 13.8% (equivalent to the 2020/21 budget), the timing of tenant occupancy caused rental revenue to be lower compared to budget. Also contributing to the variance is lower recovery of occupancy cost revenue due to expenses being under budget and lower parking revenue due to the pandemic.

Total expenses were under budget by \$0.8 million for 2020/21. Administration expenses such as travel and training-related expenses were \$0.4 million under budget due to the pandemic. Recoverable building costs were under budget by \$0.4 million due to janitorial, building maintenance and utilities being under budget.

Total capital expenditures were \$5.8 million below budget for the year. The budget included \$3.5 million related to the repurposing of a building in Regina. With no future tenant occupancy committed, the project was delayed with \$0.1 million of capital expended during the year. Actual expenditures related to tenant improvements were \$1.6 million below budget. This was due to tenant requirements changing over the fiscal year when compared to the renewal and new tenant assumptions in the budget.

OUTLOOK

Comparison of 2021/22 budget with 2020/21 actual results (\$millions)

	2021/22 Budget	2020/21 Actual	Variance
Revenue	\$ 38.0	\$ 37.5	\$ 0.5
Expenses	(36.2)	(35.3)	(0.9)
Net Finance Expense	(1.7)	(1.6)	(0.1)
Net Income	\$ 0.1	\$ 0.6	\$ (0.5)
Total Assets	\$ 190.7	\$ 192.5	\$ (1.8)
Total Debt	\$ 55.7	\$ 55.2	\$ 0.5
Net cash provided by operating activities, excluding working capital adjustments	\$ 10.8	\$ 11.4	\$ (0.6)
Total Capital Investment	\$ 6.5	\$ 5.8	\$ 0.7
Dividends Paid	\$ 0.1	\$ 0.6	\$ (0.5)
Equity Repayment	\$ 1.0	\$ 1.0	\$ —

Budgeted net income for the year ended March 31, 2022 is \$0.1 million, reflecting a decrease of \$0.5 million when compared to the net income of \$0.6 million realized for the year ended March 31, 2021.

The average vacancy rate reflected in the 2021/22 budget is 16.04%, 2.28% higher than the actual average vacancy for 2020/21 of 13.76%. Although the budget reflects several expansions and new leasing opportunities, a significant tenant downsizing expected in 2021/22 will offset the impact on overall vacancy. The increase in revenue is due to tenant employees returning to the parks causing parking revenue to increase.

Total expenses for 2020/21 were under budget by \$0.8 million due to a number of factors specific to this year, the majority of which will not be carried into next year (travel and training, support services, licensing fees, etc.). In addition, increases in utilities, grants in lieu of property taxes and janitorial are all budgeted to increase in 2021/22.

The capital budget for 2021/22 reflects a total investment of \$6.5 million. The projects planned for the year either address revenue generating opportunities associated with filling vacant space or capital reinvestment required to ensure our infrastructure is maintained in a way that supports the long-term sustainability of the Corporation.

In the upcoming year, Innovation Place will be introducing two additional Balanced Scorecard measures to identify and monitor the health and safety of our employees and collaboration within the Crown sector.

Health and Safety

1	Weighted average score of proactive prevention efforts and injury rates	
	2021/22 Target	82

We continue to improve the health and safety of employees by promoting their physical and mental health. This measure will focus on health and safety training, safety culture, safety objectives and completing safety inspections. It will also measure the outcomes by collecting information on the number of injuries and time loss.

2	Savings for the public including cost savings and red tape reductions	
	2021/22 Target	\$50 million

This target will be achieved by Crowns as a sector, with measures including the cost savings for Crowns and participating Treasury Board Crowns, agencies and ministries, as well as red tape reduction savings for the public.

RISK

Innovation Place is in compliance with CIC's Risk Management Minimum Standards Policy. The Corporation has a Risk Management Framework which outlines its risk policy, stakeholders, principles and processes. Innovation Place has implemented a system to assist management with risk identification, assessment, documentation and reporting. Senior management has been trained on the concepts and components of the risk management system. This system has been updated to include corporate and departmental risks. The Executive Committee and the SOCO Board of Directors receive regular updates and reporting as required.

Innovation Place considers risks as those factors that may inhibit the ability to meet the corporate mission as measured by the strategic objectives outlined in our Performance Management Plan.

Management has identified and discussed the top corporate risks with our Board of Directors. The nature of these risks, along with efforts to mitigate them is summarized on pages 38 and 39.

INNOVATION PLACE SUPPORTS TENANT GROWTH

“ Ag-West Bio was created to help drive the province's biotechnology industry forward — so it made perfect sense to be located at Innovation Place, right at the heart of Saskatchewan's research cluster.



Ag-West Bio is Saskatchewan's bioscience industry association and has been helping grow biobusiness in the province and at Innovation Place in Saskatoon for over 30 years.

Our environment is more than a cluster of buildings and spaces. It provides an atmosphere of innovation and collaboration by connecting a diverse mix of tenants together through our spaces and programming.





A History of Supporting Tenant Success

Our mission to help grow Saskatchewan's technology sector is embodied by the continued success of our tenants throughout our parks.

Photos clockwise from top: Award-winning entrepreneur Katrina German speaks at a tenant event in 2017; Innovation Place employees celebrate our tenants; Coconut CEO Katherine Regnier was awarded the WESK Celebration of Achievement Award in 2020; TinyEYE CEO Greg Sutton accepts two Ingenious Awards in 2011.



	Risk	Mitigation
Finite Amount of Space	Being unable, with a finite amount of space, to support the growth of existing tenants and the establishment of new tenants.	Management assesses potential tenants according to their strategic fit in core technology clusters. The Management Advisory Committees also review and approve all prospective tenants to ensure they are an appropriate fit for the parks. Existing tenants are continually monitored from the perspective of their strategic importance to the core technology clusters. Tenants that are not part of these core clusters are treated as less of a priority and in some cases encouraged to leave the parks.
Loss of Significant Tenants	Losing a significant tenant or several tenants in one industry which will negatively impact financial results, an industry cluster and / or the value for remaining tenants.	Management continues to make special efforts to retain key strategic tenants.
Financial Sustainability	As vacancy levels increase amongst established tenants, as well as the expectation that further startup companies lacking the capacity to pay full lease rates will locate in the parks, profitability will decrease.	We prudently manage our expenditures and have implemented several efficiency initiatives which have served to reduce our expenditures.
Key Employees	Being unable to attract and retain key employees.	We are committed to an effective workforce and have invested in a corporate cultural transformation resulting in a dramatic increase in our employee engagement levels.
Value Awareness	Existing or potential tenants do not recognize the value of being located in the parks as well as private real estate firms perceiving us as being competitors, specifically in leasing office space.	Communicate to stakeholders what differentiates our product, namely that: <ul style="list-style-type: none"> • Our facilities represent critical infrastructure for technology organizations in Saskatchewan; • Specialized laboratories and greenhouses are not available in the general real estate marketplace; and • Scientific utilities and a high-speed data network are distributed to buildings throughout the parks.
Infrastructure Sustainability	Specialized infrastructure is not maintained at the level required to support the long-term needs of technology tenants.	An asset management program has been developed to continually monitor the condition of physical assets and ensure maintenance and capital reinvestment activities are sufficient and linked to the overall objectives of each building.
Technology Clusters	Opportunities available to us with respect to technology clusters are not taken advantage of.	During the 2018/19 fiscal year, we implemented a new framework to categorize the various clusters and sub-sectors. This framework allows us to direct our leasing activities to ensure we are focused on emerging trends, the needs of our tenants, and on prospecting to priority areas of research and identifying opportunities that will build on the strengths of our various partners.

	Risk	Mitigation
Health and Safety	We fail to provide a safe environment for employees, tenants and visitors.	Safety training is provided to all employees based on job requirements. We operate a safety program guided by a combination of policies and safety procedures. We also utilize Occupational Health Committees to manage health and safety requirements of employees and contractors.
Information Systems and Data Management	We have an electronic attack on our system that corrupts data, steals data or brings down the system.	We utilize anti-virus software to manage protection of desktops and servers. Firewalls are used to manage access in and out of our network. Systems are monitored for attacks. An extensive backup schedule mitigates the impact of a breach.

ACCOUNTABILITY AND CONTROLS

External Audit

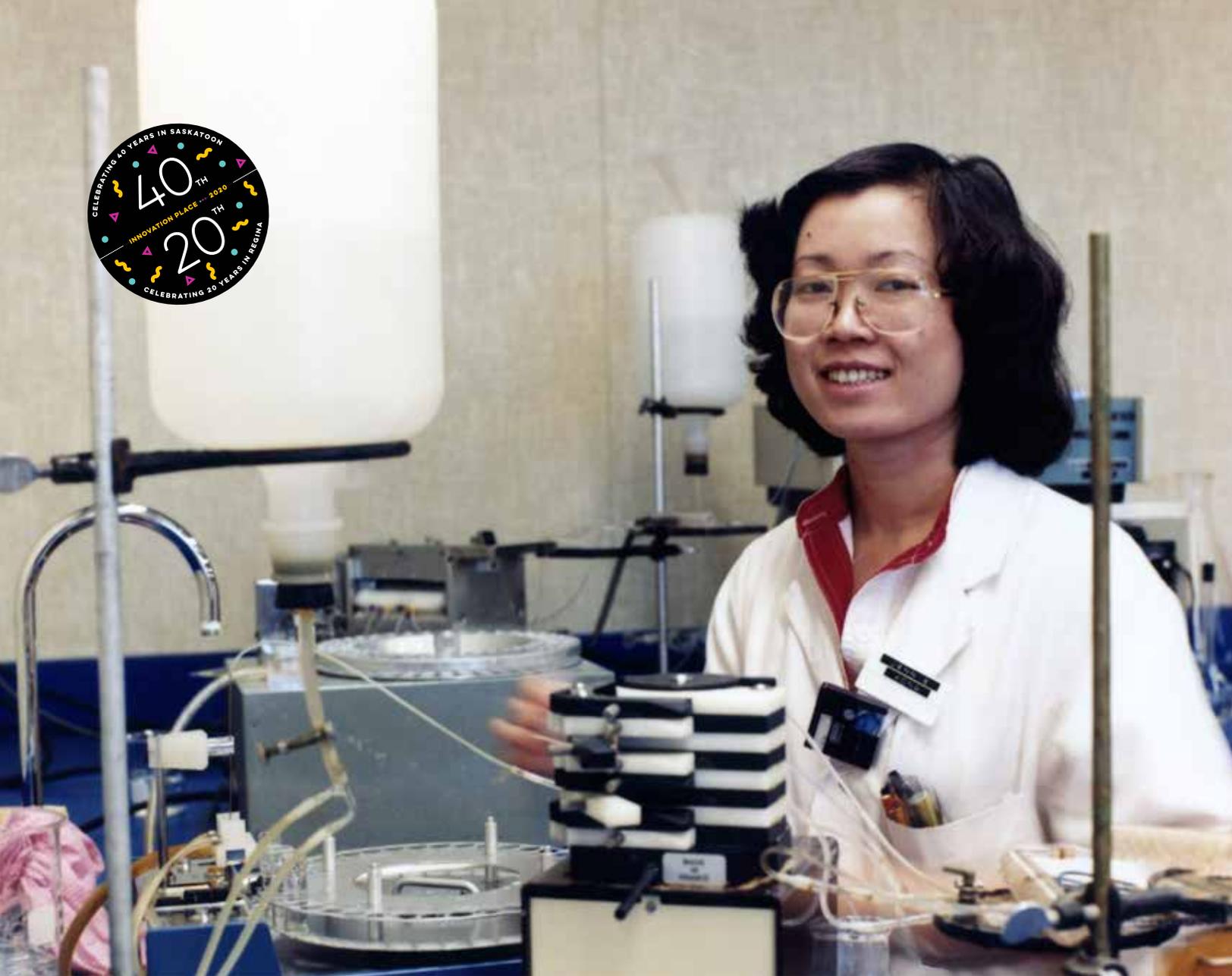
The Corporation's annual financial statements are audited by an independent auditor. The external auditor is appointed by Order In Council, with the appointment typically reviewed every five years. The current external auditor, MNP LLP, is in their third year of a five-year term.

The *Provincial Auditor Act* gives the Provincial Auditor the responsibility, authority and independence to audit and publicly report on all government organizations. As such, the external auditor coordinates the involvement of the Provincial Auditor in the Corporation's audit. The coordination of the audit is conducted in accordance with the recommendation of the Task Force on the Roles, Responsibilities and Duties of Auditors, which recommends various protocols.

Internal Audit

In June 2006, an internal audit function was established at Crown Investments Corporation to assist in providing an independent, objective view of the effectiveness of internal controls for Crown corporations who do not have the resources to support an internal audit department.

The internal audit employees are employed by Crown Investments Corporation and their offices are also located there. Internal audit activities are governed through the Internal Audit Charter which outlines the purpose, authority, reporting structure and responsibilities. The Internal Audit Charter was updated in the 2018/19 fiscal year and approved by the Board of Directors on February 20, 2019.



A History of People, Research and Innovation

Our specialized infrastructure and unique environments have created world-class research parks with companies on the cutting edge of technological developments and change.

Photos: Innovation Place tenants in Saskatoon and Regina at work throughout the years.



CORPORATE GOVERNANCE

BOARD OF DIRECTORS

as at March 31, 2021

Victor Thomas

Chair

Victor Thomas is President and CEO of the Canada India-Business Council. He has advised in the areas of corporate governance, strategy and international business. Throughout his career he has worked with high-growth companies primarily in North America, Asia and Australia.

He is a former Chair of the Regina & District Chamber of Commerce and the Banff Forum, and is a former Vice Chair of SaskEnergy. Victor serves on several boards, councils and committees throughout Saskatchewan, Canada and internationally.

Victor completed his Master of Administration in Leadership from the University of Regina. He also attended the Directors College Program where he earned the designation of Chartered Director through McMaster University and holds their Human Resources and Compensation Committee designation. Victor has received several recognitions for his leadership including the Canadian Red Cross' highest honour, the Order of the Red Cross, for his leadership with the Canadian Red Cross in Saskatchewan.

Stephanie Yong

Chair, Audit & Finance Committee / Vice Chair

Stephanie Yong is the principal at Stephanie Yong Consulting, a consultancy that focuses on utilizing the tools of human-centred design thinking to focus how your solution will impact your end user. Her specialties include utilizing engagement methodologies, analytics for assessment, and integration of advanced technologies into existing business processes.

Stephanie is also a lecturer at the University of Saskatchewan Edwards School of Business in the Departments of Management and Marketing. In addition to the SOCO Board, Stephanie is also Chair of the Saskatoon Public School Foundation and a board member of Creative Saskatchewan.

Stephanie has a B.A. in Political Studies and an M.B.A. from the University of Saskatchewan. She has completed her Institute of Corporate Directors training and is a certified Corporate Director. Stephanie comes from a family of hard workers and has made this her life motto: "the harder you work, the harder you can play."

Stephanie was appointed Chair of the SOCO Audit and Finance Committee in November 2018 and Vice Chair of the SOCO Board of Directors in November 2019.

John Schmeiser

Chair, Human Resources & Governance Committee

John Schmeiser is the Chief Executive Officer of the Western Equipment Dealers Association, an international trade association that represents the interests of over 2,200 farm, construction and outdoor power equipment dealers in Canada and the United States.

John also serves as the Secretary / Treasurer of the Canada Equipment Dealers Foundation and the Western Equipment Dealers Foundation. He is a member of the advisory board of Advanced Intelligent Systems, an Advisor / Consultant for Coleman Research and Chair of Equipment Dealer Consulting LLC. John is the Current President of the North American Equipment Association Executives, Past Chairman of the Board for IRON Solutions, a Tennessee based technology company, and Past Chair of the Board for the Saskatchewan Scrap Tire Corporation.

John is a graduate of the University of Saskatchewan, the University of Arizona and Western Academy Broadcasting College. He successfully completed the Directors College accredited Corporate Director Development Program and holds a Chartered Director designation.

Julie Ann Wriston

Opportunity and hope are synonymous to Julie Ann Wriston. She has witnessed the impact that solid economic development has on regions, communities and individuals time and time again in her decades-long career. With a passion for community economic development, Julie Ann has worked throughout Saskatchewan and beyond creating, planning for and connecting good businesses that contribute to economic strength and prosperity.

Her specialties are working with Indigenous corporations, communities and entrepreneurs to cultivate business growth and stimulate economic development. Julie Ann has worn many hats in this space that range from communication, administration, human resources, governance and executive-level leadership. She is currently a senior advisor supporting the Strategic Inclusion and Sustainability team with Nutrien, a role that allows her to draw from all of her experiences to develop sustainable diversity and inclusion strategies for the organization,

She has a solid background as a multi-term board member for a Crown corporation and has served in this capacity for various organizations over the years. Julie Ann is a recent graduate of the Institute of Corporate Directors with professional director certification (ICD.D) which provides her with a depth of knowledge that supports setting the tone at the top in a good way.

As a proud Métis mother of two inspiring kids, Julie Ann has a vested interest in contributing to a healthy, sustainable community that provides an environment where opportunity and hope can thrive.

Rachel Martinuik

Rachel Martinuik is the Chief Operating Officer for MySpray Therapeutics, a Canadian nutraceutical company. She is responsible for IT development, business innovation and logistics.

Rachel is a graduate of the University of Regina. She successfully completed the Institute of Corporate Directors training with professional director certification (ICD.D). She has an in-depth multi-cultural education and over 20 years of experience in community and cultural outreach.

Over the years, Rachel has served on numerous community organizations and committees, valuing the service to the community for future generations.

Cherise Arnesen

Cherise Arnesen is a former educator who moved first to the realms of business management then to entrepreneurship, small business ownership and finally to product innovation. Viewing oversight of strategy, risk and culture through a lens crafted by a varied background of expertise and experience, Cherise brings a necessary diversity of perspective to corporate governance.

A self-described business enthusiast, she enjoys serving on the Board of Directors and on the Human Resources & Governance Committee for Saskatchewan Opportunities Corporation. Cherise serves as an Alternate to the Board of Revisions in the City of Prince Albert. She also serves on the Executive of the Saskatchewan Chapter of Institute of Corporate Directors.

Cherise holds a B.Ed. and B.A. from the University of Saskatchewan and the ICD.D designation from the Institute of Corporate Directors.

Ayten Archer

Ayten Archer is an award winning business professor, consultant and community leader.

Active in corporate governance, Ayten is a graduate of Rotman-Institute of Corporate Directors program and has served on international, national, provincial and municipal boards in diverse industry verticals. These include UN (United Nations) Women, Saskatchewan Power Corporation, Canadian Research Institute for the Advancement of Women, Rotary International, Vancouver Fashion Week, Mendel Art Gallery, Saskatoon Symphony, Ryerson University Students' Union and Ted Rogers School of Business Commerce Society.

In her role as an international business consultant and CEO of FIAT LUX, Ayten has worked on five continents with elite clients that include the Government of Canada, Procter & Gamble and Mercedes Benz.

She has been the recipient of more than 40 academic teaching, coaching and industry leadership awards. For five consecutive years, she was named in Maclean's Guide to Canadian Universities as one of the "Most Popular Professors" at a Canadian university. She was also recognized with the University of Saskatchewan Excellence in Teaching Award, Edwards School of Business Most Effective Professor and Somers Awards. Ayten is the recipient of five faculty medals from the Canadian Marketing Association and was selected from 51 Canadian Fellows for the Advancing Canadian Entrepreneurship John Dobson Faculty Award. She is the inaugural recipient of Leadership Saskatoon's Community Leadership Award presented at the Chamber of Commerce SABEX (Saskatoon Achievement in Business Excellence) Awards.

Ayten is an international civility-protocol expert and long-serving judge for Queen's University Leadership Business Competition (QLBC), Schulich's GLOBE, Ted Rogers School of Business TRMC, Top Model Canada, Miss World, Miss GLOBE and Miss Teen Canada competitions.

WE SUPPORT THE TECH COMMUNITY

Our community is a vibrant hub of approximately 3,700 tech professionals right in the heart of Silicon Prairie. We believe it's paramount to support tenants directly within our community and also those organizations making a difference in the tech ecosystem outside our park walls.

At Innovation Place, we have always been proud to sponsor and partner with organizations to provide exceptional facilities, financial support or promotion of events. Through this, we have created long-standing and impactful partnerships with many organizations throughout the province.

Here are a couple of the events and organizations we were proud to sponsor in 2020/21.



792 ATTENDEES
4 PANEL DISCUSSIONS
64 STARTUPS
73 INVESTORS / MENTORS
210 CURATED 1:1S

This year the Uniting the Prairies (UP) conference pivoted to a one-day virtual format called UP-ish.



3,000+ WOMEN ENTREPRENEURS
19 GROWTH PARTNERS
30 EXPERT SPEAKERS

The StrikeUP Canada 2021 virtual conference helped advance women's economic empowerment and grow women-owned Canadian businesses.

Neal Krawchuk

Neal Krawchuk is the Vice President of Credit and Administration at Mega Group Inc., a privately-owned company that services the home furnishing industry throughout Canada and the United States and is one of the largest independent corporations operating in Saskatchewan. During his 32 years in the commercial finance industry, Neal has gained extensive experience in finance, strategic planning, business management and operational effectiveness.

Neal is part of a management team that has attained Platinum Status within Canada's 50 Best Managed Companies for 21 consecutive years, and was recognized as one of Canada's Top 20 Employers of companies with less than 100 employees.

Neal has 15 years of experience serving as a Director on Boards with SOCO, SaskEnergy and Investment Saskatchewan, along with numerous committee roles.

Neal has also been a devoted volunteer in Saskatoon and received the Saskatchewan Centennial Medal in 2005 as recognition for his community service contributions.

Terry Ross

Corporate Secretary to the Board of Directors



CORPORATE OFFICERS

as at March 31, 2021

S.P. (Van) Isman

President and Chief Executive Officer

Van Isman holds a B.A. and an M.B.A. from the University of Saskatchewan and a Chartered Director designation. Van worked in his family's business for 14 years, during which time he started three other business ventures. In the 1990s, Van worked with SIAST and Saskatchewan Economic Development, and in 2004 Van assumed the role of CEO of Wascana Centre Authority.

In 2007, Van rejoined the Government of Saskatchewan, subsequently serving in the Ministry of Tourism, Parks, Culture and Sport, Ministry of Municipal Affairs, and the Office of the Provincial Secretary. In 2012, Van moved to Crown Investments Corporation as Vice President, Special Projects. He was assigned Interim President and CEO of SOCO in 2013 and appointed President and CEO in 2014. Van has served on a number of Boards and Committees, including the Alzheimer Societies of Saskatchewan and Canada.

Van retired on October 9, 2020.

Ken Loepky

Vice President and Chief Operating Officer

Ken Loepky has held the position of Vice President and Chief Operating Officer for Innovation Place since 2008. Ken joined Innovation Place in 2000 as the General Manager of the Regina park.

Ken has held executive Board of Director roles in the past with provincial, national and international real estate associations and is actively involved with the Real Estate Institute of Canada (REIC) as the President of the Board of Directors.

Ken is a member of the Board of Directors and Treasurer for the Association of University Research Parks (AURP) Canada and has volunteered at many levels in the local community.

Ken retired on March 31, 2021.

Brent Sukenik

Acting President and Chief Executive Officer

Brent Sukenik was appointed Acting President and Chief Executive Officer for Innovation Place in October 2020, first joining the company in 2002 as the Corporate Controller and in October 2014 appointed Chief Financial Officer.

Prior to joining Innovation Place, Brent worked for PricewaterhouseCoopers as an Audit Manager. Brent holds a Bachelor of Administration designation from the University of Regina and is a Chartered Professional Accountant (CPA, CA).

Trevor Cross

*Vice President, Corporate Services
and Acting Chief Financial Officer*

Trevor Cross was appointed Acting Chief Financial Officer for Innovation Place in October 2020, first joining the company in 2010 as Director of Information Technology and in April 2015 appointed Vice President, Corporate Services and Initiatives.

Trevor earned a professional designation from the Project Management Institute and is a retired Commissioned Officer in the Canadian Armed Forces.

Trevor has served on numerous not-for-profit governing boards for organizations based in Saskatchewan and Manitoba. Trevor previously worked and volunteered as a Canadian Yachting Association sailing instructor for over 25 years.



GREENHOUSES & LABORATORIES

Our unique spaces like incubators, co-working spaces, greenhouses, laboratories and common spaces are primed for innovation and ready for tenants on day one.



SOPHISTICATED NETWORK INFRASTRUCTURE

With multiple routes to the internet, automatic failover and localized backup power generation capacity, Innovation Place offers our tenants leading-edge communications access.



SPECIALIZED AND PREVENTATIVE MAINTENANCE SERVICES

Our full-time maintenance staff includes a dedicated team of on-site electricians, heating and cooling specialists, machinists, millwrights, landscapers, power engineers and more. We are always ready to solve a problem or improve spaces for our tenants.

Debbie Haluik

Acting Vice President of Client Relations
— effective April 1, 2021

Debbie Haluik was appointed Acting Vice President of Client Relations for Innovation Place in April 2021, first joining the company in 1997.

Debbie has held various roles in Property Management, Technical Operations, Marketing and Project Management, and has served as the Executive Director of Client Relations since October 2017.

Debbie received a Certified Property Manager designation from the Real Estate Institute of Canada in 2006 and has participated in various leadership development programs, including the Effective Executive Program through the Edwards School of Business. She has served on the Real Estate Institute of Saskatchewan's Board of Directors and volunteered with the Commercial Real Estate Women's Network of Saskatchewan.

Jackie Presnell

Acting Vice President of Business Development
— effective April 1, 2021

Jackie Presnell was appointed Acting Vice President of Business Development for Innovation Place in April 2021, first joining the company in 2000 and spending her first six years in the Regina park before relocating to Saskatoon.

Jackie has held a variety of roles in Property Management and Marketing and served as the Executive Director of Marketing since October 2017. Her previous real estate experience includes positions with Saskatchewan Property Management Corporation and Crown Life.

Jackie received a Bachelor of Commerce degree from the University of Saskatchewan accompanied by a Certified Leasing Officer (CLO) designation through the Real Estate Institute of Canada. She has volunteered for a variety of Committees and Boards, such as BOMA, REIC, REIS, SEIMA and the Greater Saskatoon Chamber of Commerce.

AUTHORITY

Saskatchewan Opportunities Corporation (SOCO) is a Crown corporation governed by *The Saskatchewan Opportunities Corporation Act*, and subject to the provisions of *The Crown Investments Corporation Act, 1993*. The Crown Investments Corporation (CIC) oversees and manages a governance framework for SOCO that provides strategic direction, performance management and financial reporting. SOCO conducts its business under the operating name of Innovation Place.

Through the Chair, who is an independent director, the SOCO Board of Directors is accountable to the Minister Responsible for SOCO. The Minister functions as the key communications link between SOCO, CIC, Cabinet, the Legislature and the public.

CORPORATE GOVERNANCE PRACTICES

CIC Chairs Forum has requested that Saskatchewan Crown corporations use the Canadian Securities Administrators (CSA) Corporate Governance Guidelines and Governance Disclosure Rules to standardize the reporting and benchmarking of governance practices. The CSA guidelines have superseded the Toronto Stock Exchange guidelines previously used.

INDEPENDENCE

The matter of “independence from management” is based upon the definition set by the CSA and utilized by publicly traded companies in the industry. None of the directors have worked with or for SOCO, or have direct material contracts or relationships with the Corporation, or have received remuneration from the Corporation in excess of the fees and compensation as directors and committee members or as directors of subsidiaries of the Corporation.

In addition to an annual declaration of any conflicts of interest, each Board and Committee meeting has a standing agenda item to allow directors to declare any conflict of interests and an in-camera session is held without management present.

WE BUILD COMMUNITY

Our robust tenant programming continued throughout 2020/21, despite the lack of traditional in-person events. While we've been livestreaming sessions for years, our use of technology accelerated as we pivoted to online learning, business and social events.

Thanks to this shift, we successfully presented 66 events attracting 4,600 participants. By connecting virtually, our tenants and tech community continued learning from local leaders and global experts, as well as from one another.

This year marked the sixth season of our popular Startupville podcast, showcasing startup founders and tech community leaders, and the launch of our Brain Bites video series, featuring industry experts in concise, highly informative videos.



KEY ACCOUNTABILITIES

The Board has a written Terms of Reference* that outlines the Board's principal duties and responsibilities, including the responsibility to function as stewards of the Corporation and to oversee the management of the affairs and business of the Corporation.

The Board discharges its responsibilities by delegation to management and through committees of the Board. The Board focuses on the strategic leadership of the Corporation while day-to-day operations are delegated to management, who is then held accountable for the Corporation's performance.

The Board has two committees, the Audit and Finance Committee and the Human Resources and Governance Committee. Both committees have written Terms of Reference* and access to outside professional advisors if necessary.

Audit and Finance Committee

Members

Stephanie Yong, Chair
Aytan Archer
Neal Krawchuk
Victor Thomas

The Audit and Finance Committee is responsible for ensuring the adequacy and effectiveness of financial reporting by reviewing and recommending approval by the Board of all policies and procedures regarding SOCO's financial reporting, internal accounting, internal controls, management information, risk management and the internal and external audit.

Human Resources and Governance Committee

Members

John Schmeiser, Chair
Cherise Arnesen
Rachel Martinuik
Julie Ann Wriston
Victor Thomas (ex-officio)

The Human Resources and Governance Committee is responsible for overseeing SOCO's human resource and governance processes and the quality of its corporate governance and reporting to the Board. The Committee undertakes deliberative and policy work on behalf of the Board and recommends decisions on all aspects of governance to the Board, when these decisions exceed delegated authority levels of management.

* The Terms of Reference are available in the Corporate Governance section of the Innovation Place website at www.innovationplace.com

BOARD APPOINTMENTS

The Lieutenant Governor in Council appoints members of the Board and designates the Chair. Directors are appointed for a fixed term and their appointments can be renewed at expiry. Appointments are governed by the CIC Board of Directors Appointment Policy, which ensures adherence to the principles of objectivity, inclusivity, transparency and consistency. Although the policy requires Crown Boards to include diversity candidates, it does not specifically refer to the identification and nomination of female Directors.

CIC maintains statistics regarding the diversity of each Crown Board, including the percentage of women serving on Crown Boards. This information is forwarded annually to the shareholder to be considered when Board appointment decisions are made.

As of March 31, 2021 the Board was composed of five women out of a total of eight members (63%).

The Board, through the Human Resources and Governance Committee, annually reviews the composition and skill sets of directors to maintain an appropriate mix of expertise, experience and diversity on the Board to support the strategic direction of the Corporation.

CONFLICT OF INTEREST / CODE OF CONDUCT

Board members must comply with the CIC Directors' Code of Conduct** that was developed by CIC and applies to the directors of all its subsidiary Crown Boards.

Officers and employees of the Corporation must comply with SOCO's Code of Business Conduct. All employees, including Corporate Officers, are required to sign an annual declaration of compliance with this policy and supporting policies and procedures, as outlined in the document. This ensures employees have a clear understanding of corporate policies and their obligation to abide by them.

ORIENTATION AND CONTINUING EDUCATION

Management provides comprehensive reference material to each Board member and provides new members with an orientation session detailing the nature of SOCO's business. Management provides the directors with information sessions on technical aspects of the Corporation's business. The Board also participates in annual strategic planning sessions.

CIC provides annual professional development opportunities for directors of CIC subsidiary Crown boards, which focus on the key roles and responsibilities of boards and best practices in corporate governance.

** A copy of the Directors' Code of Conduct can be obtained on Crown Investments Corporation's website at www.cicorp.sk.ca

BOARD OF DIRECTORS MEETINGS

There were five Board meetings held in 2020/21. Documentation and information for discussion and decisions at the meetings is provided by Management to the Board at least seven days in advance of each meeting.

Attendance

Director	Board of Directors Meeting Dates				
	May 26, 2020	Aug 20, 2020	Aug 28, 2020	Nov 25, 2020	Feb 24, 2021
Victor Thomas, Chair	●	●	●	●	●
Stephanie Yong, Vice Chair	●	●	●	●	●
John Schmeiser	●	●	●	●	●
Rachel Martinuik	●	●	●	●	●
Julie Ann Wriston	●	●	●	●	●
Ayten Archer	●	●	●	●	●
Cherise Arnesen	●	●	●	●	●
Neal Krawchuk	●	●	x	●	●

● in attendance x not in attendance

INNOVATION PLACE SUPPORTS TENANT GROWTH

“ Being located at Innovation Place helps us play our important role in Saskatchewan’s research community and that role is bringing together varied stakeholders to contribute to a common goal of a healthier and thriving province.



Saskatchewan Health Research Foundation (SHRF) is the provincial funding agency that funds, supports and promotes the impact of health research that matters to Saskatchewan. SHRF has been a tenant at Innovation Place in Saskatoon since its beginning in 2003.

Helping grow Saskatchewan's tech sector is the reason Innovation Place exists, and we don't take that job lightly. Creating a unique working environment that integrates technology tenants and clusters provides a foundation for success for our tenants and the economic future of the province.



BOARD OF DIRECTORS TENURE AND REMUNERATION

Director	Position	Tenure	Remuneration paid for the 12-month period ended March 31, 2021
Victor Thomas	Chair	April 1, 2020 – March 31, 2021	24,550.00
Stephanie Yong	AFC Chair	April 1, 2020 – March 31, 2021	18,225.00
John Schmeiser	HRG Chair	April 1, 2020 – March 31, 2021	18,275.00
Rachel Martinuik	Member	April 1, 2020 – March 31, 2021	16,925.00
Julie Ann Wriston	Member	April 1, 2020 – March 31, 2021	15,300.00
Ayten Archer	Member	April 1, 2020 – March 31, 2021	16,275.00
Cherise Arnesen	Member	April 1, 2020 – March 31, 2021	18,875.00
Neal Krawchuk	Member	April 1, 2020 – March 31, 2021	15,300.00
			Total: \$ 143,725.00

The Remuneration Schedule and Expense Guidelines for the Board of Directors are approved by the CIC Board (effective January 1, 2013).

\$20,000	Annual	Board Chair Retainer
\$14,000	Annual	Board Member Retainer
\$2,600	Annual	Audit and Finance Committee Chair Retainer
\$2,000	Annual	Human Resources and Governance Committee Chair Retainer
\$650	Full Day	Committee Meeting Fee
\$325	Half Day	Committee Meeting Fee

MANAGEMENT REMUNERATION

The Corporate Officers are compensated in accordance with CIC's Crown Executive Compensation Policy, Procedures and Guidelines.

The Crown sector is committed to a "total compensation" perspective, which includes a base salary, benefits, pension and a salary holdback program. The salary holdback payments are based on a combination of corporate and personal objectives that are aligned with SOCO's Strategic Plan. The corporate objectives are approved by the Board of Directors and represent 75% of the available incentive payments for Vice Presidents and 85% for the President.

For the 12-month period ended March 31, 2021, the total compensation paid to the Corporate Officers was \$835,466.

CORPORATE OFFICER APPOINTMENTS

Corporate Officer appointments are made by the CEO. The CEO gives consideration to the level of representation of women in Corporate Officer positions, along with several other relevant factors, when making Corporate Officer appointments.

Innovation Place currently does not have a specific target regarding women in Corporate Officer positions but does target diversity in all positions. Currently two of the four Corporate Officers are women.



A History of Building Community

We've transformed our parks to become a hub for Saskatchewan's vibrant tech community, hosting events, receptions, conferences and more.

Photos clockwise from top: Co.Labs Co.Launch finale in the Galleria Bowl in 2018; Jersey Day at Innovation Place in 2017; Tenants partaking in Folkfest Kickoff event activities in 2017; Galleria opening in 1980.



MANAGEMENT'S RESPONSIBILITY AND CERTIFICATION

The preparation and presentation of the accompanying consolidated financial statements of Saskatchewan Opportunities Corporation are the responsibility of and have been prepared by corporate management in accordance with International Financial Reporting Standards. These consolidated financial statements necessarily include amounts based on informed judgment and management's estimates. Financial information presented elsewhere in this Annual Report is consistent with that in the financial statements.

Management is also responsible for establishing and maintaining adequate internal control over financial reporting and has assessed the effectiveness of those controls as of March 31, 2021. Based on this evaluation management concludes the following:

I, Brent Sukenik, the Acting President and Chief Executive Officer of Saskatchewan Opportunities Corporation, and I, Trevor Cross, the Vice President, Corporate Services and Acting Chief Financial Officer of Saskatchewan Opportunities Corporation, certify:

- that we have reviewed the financial statements included in the Annual Report of Saskatchewan Opportunities Corporation. Based on our knowledge, having exercised reasonable diligence, the financial statements included in the Annual Report, fairly present, in all material respects the financial position, results of operations and cash flows, as of March 31, 2021;
- that based on our knowledge, having exercised reasonable diligence, the financial statements included in the Annual Report of Saskatchewan Opportunities Corporation do not contain any untrue statements of material fact, or omit to state a material fact that is either required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made;
- that Saskatchewan Opportunities Corporation is responsible for establishing and maintaining effective internal control over financial reporting, which includes safeguarding of assets and compliance with applicable legislative authorities; and Saskatchewan Opportunities Corporation has designed internal controls over financial reporting that are appropriate to the circumstances of Saskatchewan Opportunities Corporation; and
- that Saskatchewan Opportunities Corporation conducted its assessment of the effectiveness of the Corporation's internal controls over financial reporting and, based on the results of this assessment, Saskatchewan Opportunities Corporation can provide reasonable assurance that internal controls over financial reporting as of March 31, 2021 were operating effectively and no material weaknesses were found in the design or operation of the internal controls over financial reporting.

The Corporation's independent auditor, MNP LLP, has been appointed external auditor by Lieutenant Governor in Council and approved by Crown Investments Corporation of Saskatchewan. MNP LLP has examined the financial statements of Saskatchewan Opportunities Corporation. The scope of their examination and their opinion on whether these financial statements present fairly the financial position and operating results of Saskatchewan Opportunities Corporation are given in their Independent Auditor's Report.

In an effort to discharge its statutory responsibilities, which are outlined in *The Provincial Auditor Act*, the Provincial Auditor relies on the work of MNP LLP. The Provincial Auditor and MNP LLP work together at all stages of the audit. The Provincial Auditor is responsible to report to the Legislative Assembly an opinion on the effectiveness of internal controls, compliance with governing authorities and the reliability of the financial statements.

The Audit and Finance Committee, composed of members of the Board of Directors, meets periodically with the financial officers of the Corporation, the external auditor and the Provincial Auditor to discuss the audit plan, audit results and the opinion on the adequacy of the financial reporting, corresponding internal controls and compliance with governing authorities. Both MNP LLP and the Provincial Auditor have the opportunity to meet with the Audit and Finance Committee without management present. The Audit and Finance Committee has reviewed these financial statements with management and the auditor. The Audit and Finance Committee recommended the Board approve these financial statements. The Board of Directors has reviewed and approved these financial statements.



BRENT SUKENIK

Acting President and Chief Executive Officer



TREVOR CROSS

Vice President, Corporate Services and Acting Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan:

Opinion

We have audited the consolidated financial statements of Saskatchewan Opportunities Corporation ("SOCO"), which comprise the statement of financial position as at March 31, 2021, and the statements of income and other comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SOCO as at March 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of SOCO 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.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting 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 SOCO'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 SOCO or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing SOCO's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 SOCO'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 SOCO'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 SOCO 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.

MNP LLP

Chartered Professional Accountants
May 26, 2021
Regina, Saskatchewan

FINANCIAL REPORT

CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME

(in thousands \$)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
Revenue			
Rental		\$ 35,985	\$ 37,975
Other		1,517	1,496
		37,502	39,471
Expenses			
Administration		4,071	4,096
Rental operations		31,260	30,444
Impairment / (recovery) of financial assets		—	(275)
	16	35,331	34,265
Results before the following			
		2,171	5,206
Finance income	4	225	437
Finance expenses	4	(1,777)	(2,106)
Net finance expense			
		(1,552)	(1,669)
Net loss from discontinued operations	23	—	(575)
Net income			
		619	2,962
Other comprehensive income			
Items that are or may be reclassified to net income			
Debt retirement fund - market value adjustment	9	(159)	102
Total other comprehensive income			
		(159)	102
Total comprehensive income			
		\$ 460	\$ 3,064

(see accompanying notes)

On behalf of the Board,



VICTOR T. THOMAS
Board Chair



STEPHANIE YONG
Chair, Audit and Finance Committee

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands \$)

	Note	As at March 31, 2021	As at March 31, 2020
Assets			
Current			
Cash and cash equivalents	5	\$ 17,078	\$ 16,246
Trade and other receivables	6	668	1,101
Inventory		33	53
Prepaid expenses		520	366
		18,299	17,766
Property, plant and equipment	7	962	925
Right-of-use assets	13	982	1,355
Investment property	8	166,126	169,240
Debt retirement fund	9	5,134	4,802
Other assets	10	995	980
		\$ 192,498	\$ 195,068
Liabilities and Province's Equity			
Current			
Trade and other payables	11	\$ 5,291	\$ 4,226
Dividends payable		101	994
Notes payable	12	18,550	19,639
Lease liabilities	13	410	415
Deferred revenue		1,772	1,951
		26,124	27,225
Lease liabilities	13	572	944
Long-term debt	14	36,684	36,684
		63,380	64,853
Province of Saskatchewan's Equity			
Retained earnings		34,624	34,562
Accumulated other comprehensive income		(6)	153
Equity advances	15	94,500	95,500
		129,118	130,215
		\$ 192,498	\$ 195,068

(see accompanying notes)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands \$)

	Note	Equity advances	Accumulated other comprehensive (loss) income	Retained earnings	Total equity
Balance at March 31, 2019		\$ 96,500	\$ 51	\$ 34,266	\$ 130,817
Net income		—	—	2,962	2,962
Other comprehensive income		—	102	—	102
Dividends		—	—	(2,666)	(2,666)
Equity repayment	15	(1,000)	—	—	(1,000)
Balance at March 31, 2020		95,500	153	34,562	130,215
Net income		—	—	619	619
Other comprehensive income		—	(159)	—	(159)
Dividends		—	—	(557)	(557)
Equity repayment	15	(1,000)	—	—	(1,000)
Balance at March 31, 2021		\$ 94,500	\$ (6)	\$ 34,624	\$ 129,118

(see accompanying notes)

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands \$)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
Operating Activities			
Net income		\$ 619	\$ 2,962
Non-cash adjustments:			
Amortization of property, plant and equipment	7	245	262
Amortization of right-of-use assets	13	414	405
Amortization of investment property	8	8,640	8,639
Impairment loss on investment property		(34)	—
Gain on disposal of property, plant and equipment		—	(13)
Finance income	4	(225)	(437)
Finance expense	4	1,777	2,106
		11,436	13,924
Working capital adjustments:			
Trade and other receivables		433	341
Inventory		20	53
Prepaid expenses		(154)	(25)
Trade and other payables, excluding interest		1,064	642
Deferred revenue		(179)	651
Cash provided by operating activities		12,620	15,586
Investing Activities			
Purchase of property, plant and equipment	7	(282)	(103)
Purchase of investment property	8	(5,493)	(3,856)
Disposal of property, plant and equipment		—	13
Interest received		101	305
Change in other assets		(15)	(152)
Cash used in investing activities		(5,689)	(3,793)
Financing Activities			
Debt retirement fund installments	9	(367)	(367)
Repayment of notes payable	12	(1,089)	(1,061)
Payment of lease liabilities	13	(424)	(413)
Interest paid		(1,769)	(2,100)
Dividends paid		(1,450)	(2,791)
Equity repayment	15	(1,000)	(1,000)
Cash used in financing activities		(6,099)	(7,732)
Net change in cash and cash equivalents			
Cash and cash equivalents, beginning of year		16,246	12,185
Cash and cash equivalents, end of year		\$ 17,078	\$ 16,246

(see accompanying notes)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in thousands \$)

1 General Information

Saskatchewan Opportunities Corporation (the Corporation), which operates under the business name of Innovation Place, was incorporated under *The Saskatchewan Opportunities Corporation Act*, which was proclaimed and came into force in 1994. The Corporation is an agent of Her Majesty in Right of the Province of Saskatchewan and has been designated a subsidiary of Crown Investments Corporation of Saskatchewan (CIC), a provincial Crown corporation. The financial results of the Corporation are included in the consolidated financial statements of CIC. As a provincial Crown corporation, the Corporation is subject to neither federal nor provincial income taxes. As well, the Corporation is not subject to provincial capital taxes.

The Corporation's mandate is to create, encourage and facilitate business opportunities in the Saskatchewan technology sector, primarily through the development and operation of technology parks.

The Corporation's head office is located at 114 – 15 Innovation Boulevard in Saskatoon, Saskatchewan.

2 Basis of Preparation

a) *Statement of compliance*

The consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Board of Directors authorized the consolidated financial statements for issue on May 26, 2021.

b) *Basis of measurement*

These consolidated financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at fair value and reported at fair value through other comprehensive income.

c) *Functional and presentation currency*

These consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand.

d) *Use of estimates and judgments*

The preparation of financial statements that comply with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant items subject to estimates and assumptions include the carrying amounts of property, plant and equipment and investment property, along with the underlying estimations of useful lives, capitalization of interest, disposal of long-lived assets, asset retirement obligations, and labour and directly attributable overhead; and the carrying amounts of trade and other receivables, inventory and debt retirement fund.

Areas of judgments in applying accounting policies that have the most effect on the amounts recognized in the consolidated financial statements include the accounting for special purpose entities and the determination of cash generating units.

e) COVID-19 impact assessment

The COVID-19 pandemic has caused material disruption to businesses and has resulted in an economic slowdown. The Corporation has assessed and continues to monitor the impact of COVID-19 on its operations. The magnitude and duration of COVID-19 is uncertain and, if it causes significant disruption for an extended period of time, the impacts to the Corporation will increase. Potential impacts include loss of revenue, supply chain disruption, challenges associated with a remote or unavailable workforce and potential asset impairment.

3 Significant Accounting Policies

a) Basis of consolidation

These consolidated financial statements include the accounts of the Corporation and 212822 Saskatchewan Inc. (operating as Boffins) with all significant inter-company transactions and balances, revenues and expenses being eliminated. Boffins was providing food and event services at the technology park in Saskatoon. On November 15, 2019 these services were transferred to an independent service provider (see note 23 for details). Separate audited financial statements are prepared annually for Boffins.

b) Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand, and short-term investments with an original maturity of three months or less.

c) Inventory

Inventory consists of items held which will be used in the provision of services at the technology parks and are valued using the weighted average cost method. Inventory items are charged to expense when utilized.

d) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated amortization and any provisions for impairment. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes materials, services, direct labour and directly attributable overheads. Assets under construction are recorded as in progress until they are operational and available for use, at which time they are transferred to property, plant and equipment.

The costs of maintenance, repairs, renewals or replacements which do not extend productive life are charged to operations as incurred. The costs of replacements and improvements which extend productive life are capitalized.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

When property, plant and equipment are disposed of or retired, the related costs and accumulated amortization are eliminated from the accounts. Any resulting gains or losses are reflected in profit or loss.

e) *Investment property*

Properties held for rental purposes are classified as investment properties and are measured at cost using the same policies as for property, plant and equipment.

f) *Leases*

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for leases of low value assets and leases with a duration of 12 months or less. For these short-term and low value leases, the Corporation recognizes the lease payments as an operating expense.

For new leases beginning on or after April 1, 2019, a right-of-use asset and lease liability are recognized at the lease commencement date. The right-of-use asset is initially measured at an amount equal to the lease liability and is adjusted for any payments made on or before the commencement date, less any lease incentives received. The lease liability is initially measured at the present value of the lease payments due over the lease term, discounted using the rate implicit in the lease, or if not known, the Corporation's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. The liability is adjusted when there is a change in future lease payments arising from a change in rate, or if there is a change in Corporation's estimate or assessment of whether it will exercise an extension, termination, or purchase option. A corresponding adjustment is made to the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets are amortized over the related lease term. Judgement is applied to determine the lease term for contracts that include renewal options. The assessment of whether the Corporation is reasonably certain to exercise options impacts the lease term, which affects the amount of lease liabilities and right-of-use assets recognized.

The Corporation as the lessor recognizes all tenant leases as operating leases.

g) Amortization

Amortization is recognized on a straight line basis over the estimated useful life of each component of property, plant and equipment and investment property. Amortization commences when the asset is ready for its intended use.

The useful life and amortization method are reviewed periodically to ensure that they are consistent with the expected pattern of economic benefit to be obtained from these assets.

The estimated useful lives of major classes of property, plant and equipment are:

Administration	3 – 10 years
Furniture and equipment	3 – 10 years

The estimated useful lives of major classes of investment property are:

Buildings	20 – 80 years
Infrastructure	25 – 60 years
Furniture and equipment	3 – 10 years
Leasehold improvements	lease term

h) Impairment of assets

At each reporting date, the Corporation reviews the carrying amount of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Cash generating units are the smallest group of assets that generates cash inflow from continuing use. Corporate assets are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. These losses are reversed only to the extent that the carrying amount of the asset (or cash generating unit) does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

i) Revenue recognition

The Corporation recognizes rental revenue whereby the total amount of contractual rent to be received from leases is accounted for on a straight line basis over the term of the lease. Deferred rent receivable is recorded for the difference between the straight line recorded revenue and the contractual amount due from tenants.

With the exception of rental revenue, revenue is recognized as services are provided to customers, tenants and clients using the accrual basis of accounting when it is reliably measured and there is probability that the economic benefit will flow to the Corporation. Amounts received in advance of contract terms are recorded as deferred revenue.

j) Provisions

Provisions for legal claims are recognized when the Corporation has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount on provisions is recognized in profit or loss as finance expense.

k) Financial instruments

The Corporation uses the following categories to classify its financial instruments: fair value through profit or loss, amortized cost, fair value through other comprehensive income, and other liabilities. All financial instruments are measured at fair value on initial recognition and are recorded on the consolidated statement of financial position. Financial assets and liabilities are offset and the net amount reported on the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. Transaction costs are included in the initial carrying amount of financial instruments except for those designated as fair value through profit or loss, in which case they are expensed as incurred. Measurement in subsequent periods depends on the classification of the financial instrument.

Fair value through profit or loss financial assets and liabilities are subsequently measured at fair value, with changes in fair value being recognized in the consolidated statement of income and comprehensive income. Assets classified as fair value through other comprehensive income are subsequently measured at fair value, with changes in fair value being recognized as other comprehensive income. Financial instruments classified as amortized cost or other liabilities are subsequently measured at amortized cost using the effective interest method, less any impairment losses, with any changes recognized in the consolidated statement of income and comprehensive income.

l) Fair value measurement

The methods and assumptions used to develop fair value measurements have been prioritized into three levels.

Level one – fair values are determined using inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities to which the Corporation has immediate access.

Level two – fair values are determined using inputs other than quoted prices included in level one that are observable for the asset or liability, either directly or indirectly.

Level three – fair values are determined based on inputs for the asset or liability that are not based on observable market data.

m) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period incurred.

n) Employee benefits

All employees are members of the Public Employees Pension Plan, a defined contribution plan administered by Saskatchewan's Ministry of Finance's Public Employees Benefits Agency, a related entity. The Corporation's financial obligation is limited to making regular contributions in proportion to employees' earnings. These contributions are charged to profit or loss when due.

Employee entitlements to annual leave are recognized as they are earned by the employees. An accrual, measured at an undiscounted basis, is recorded for the estimated liability at year end.

4 Finance Income and Expense

Finance income consists of the following:

	2021	2020
Interest earned on bank balances	\$ 101	\$ 305
Interest income on trade and other receivables	—	—
Interest earned on debt retirement fund	124	132
	\$ 225	\$ 437

Finance expense consists of the following:

	2021	2020
Interest on long-term debt	\$ 1,735	\$ 1,739
Interest on notes payable	37	361
Interest on lease liabilities	5	6
	\$ 1,777	\$ 2,106

5 Cash and Cash Equivalents

	As at March 31, 2021	As at March 31, 2020
Cash in bank and on hand	\$ 17,078	\$ 16,246

Cash held in bank earns interest based on a fixed percentage in relation to the bank prime rate.

6 Trade and Other Receivables

	As at March 31, 2021	As at March 31, 2020
Trade receivables, net of allowance	\$ 198	\$ 678
Accrued receivables	420	393
Work in progress	39	16
Other	11	14
	\$ 668	\$ 1,101

Work in progress includes unbilled labour and materials for third party projects.

7 Property, Plant and Equipment

	Administration	Furniture and Equipment	Finance Lease	Total
COST				
Balance at March 31, 2019	\$ 2,079	\$ 4,445	\$ 1,784	\$ 8,308
Transfer to right-of-use assets due to first time application of IFRS 16	—	—	(1,784)	(1,784)
Additions	18	85	—	103
Disposals	—	(47)	—	(47)
Balance at March 31, 2020	2,097	4,483	—	6,580
Transfer from investment property	—	121	—	121
Additions	90	192	—	282
Disposals	—	—	—	—
Balance at March 31, 2021	2,187	4,796	—	6,983
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES				
Balance at March 31, 2019	1,875	3,565	170	5,610
Transfer to right-of-use assets due to first time application of IFRS 16	—	—	(170)	(170)
Amortization	63	199	—	262
Disposals	—	(47)	—	(47)
Balance at March 31, 2020	1,938	3,717	—	5,655
Transfer from investment property	—	121	—	121
Amortization	60	185	—	245
Disposals	—	—	—	—
Balance at March 31, 2021	1,998	4,024	—	6,021
CARRYING AMOUNTS				
Balance at March 31, 2020	\$ 159	\$ 766	\$ —	\$ 925
Balance at March 31, 2021	\$ 189	\$ 773	\$ —	\$ 962

8 Investment Property

	Buildings	Land and Infrastructure	Leasehold Improvements	Construction in Progress	Total
COST					
Balance at March 31, 2019	\$ 189,715	\$ 63,976	\$ 35,935	\$ 2,780	\$ 292,406
Additions	3,364	10	1,003	(521)	3,856
Balance at March 31, 2020	193,079	63,986	36,938	2,259	296,262
Transfer to property, plant & equipment	(121)	—	—	—	(121)
Additions	4,275	214	190	814	5,493
Balance at March 31, 2021	197,233	64,200	37,128	3,073	301,633
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES					
Balance at March 31, 2019	79,759	24,844	13,055	725	118,383
Amortization	4,948	1,749	1,942	—	8,639
Impairment Loss	—	—	—	—	—
Balance at March 31, 2020	84,707	26,593	14,997	725	127,022
Transfer to property, plant & equipment	(121)	—	—	—	(121)
Amortization	5,056	1,751	1,833	—	8,640
Impairment Loss	—	—	—	(34)	(34)
Balance at March 31, 2021	89,642	28,344	16,830	691	135,508
CARRYING AMOUNTS					
Balance at March 31, 2020	\$ 108,372	\$ 37,392	\$ 21,942	\$ 1,534	\$ 169,240
Balance at March 31, 2021	\$ 107,591	\$ 35,855	\$ 20,299	\$ 2,382	\$ 166,126

The estimated market value of investment property at March 31, 2021 is \$262,000 (2020 – \$271,000). This value is based on internally generated estimates on cash flows of individual properties using capitalization rates in the range of 6.25% – 10.00% (2020 – 6.25% – 10.00%) applied based on property type and market characteristics. This resulted in an overall weighted average capitalization rate of 7.6% (2020 – 7.6%) for the year.

The above estimated market value is a level 3 fair value as the majority of inputs are not based on observable market data.

9 Debt Retirement Fund

Balance at March 31, 2019	\$ 4,201
Installments	367
Earnings	132
Valuation adjustment	102
Balance at March 31, 2020	4,802
Installments	367
Earnings	124
Valuation adjustment	(159)
Balance at March 31, 2021	\$ 5,134

Under conditions attached to the long term debt issues, the Corporation is required to invest an amount equal to one percent of the original debt issue on an annual basis. The investment, in the form of a debt retirement fund, is administered by Saskatchewan's Ministry of Finance.

Debt retirement fund installments due in each of the next five years are as follows:

2021/22	\$ 367
2022/23	367
2023/24	367
2024/25	367
2025/26	367

10 Other Assets

	As at March 31, 2021	As at March 31, 2020
Deferred rent receivable	\$ 772	\$ 844
Leasing costs	223	136
	\$ 995	\$ 980

11 Trade and Other Payables

	As at March 31, 2021	As at March 31, 2020
Trade payables	\$ 834	\$ 909
Interest payable	502	507
Accrued liabilities and other	3,955	2,810
	\$ 5,291	\$ 4,226

12 Notes Payable

Notes payable are due to the General Revenue Fund of the Province of Saskatchewan. These notes are due within 90 days of issue and have an effective interest rate of 0.162% (2019/20 – 0.768%).

13 Leases

As Lessee

The Corporation's right-of-use assets include corporate computers, network infrastructure, office equipment and vehicles; and the lease expiring dates of these right-of-use assets range from August 2021 to September 2024. Total cash outflows for leases in 2021 was \$424 (with allocation between principal repayment of \$374 and interest payment of \$6).

Right-of-Use Assets

	Administration	Furniture and Equipment	Total
COST			
Balance at March 31, 2019	\$ —	\$ —	\$ —
Recognition of right-of-use assets on first time application of IFRS 16	—	76	76
Transfer from property, plant and equipment due to first time application of IFRS 16	522	1,262	1,784
Balance at April 1, 2019	522	1,338	1,860
Additions	96	—	96
Disposals	—	—	—
Balance at March 31, 2020	618	1,338	1,956
Transfer	1,262	(1,262)	—
Additions	40	—	40
Disposals	—	—	—
Balance at March 31, 2021	1,920	76	1,996
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES			
Balance at March 31, 2019	—	—	—
Recognition of right-of-use assets on first time application of IFRS 16	—	26	26
Transfer from property, plant and equipment due to first time application of IFRS 16	127	42	169
Balance at April 1, 2019	127	68	195
Additions	140	265	405
Disposals	—	—	—
Balance at March 31, 2020	267	333	600
Transfer	294	(294)	—
Additions	401	13	414
Disposals	—	—	—
Balance at March 31, 2020	962	52	1,014
CARRYING AMOUNTS			
Balance at March 31, 2020	\$ 350	\$ 1,005	\$ 1,355
Balance at March 31, 2021	\$ 958	\$ 24	\$ 982

Lease Liabilities

	As at March 31, 2021
Total future minimum lease payments	990
Less: future finance charges on leases	(8)
Present value of lease liabilities	982
Less: current portion of lease liabilities	(410)
Lease liabilities	572

At March 31, 2021, scheduled future minimum lease payments and the present value of the lease liabilities are:

	Within one year	After one year to five years	More than five years
Future minimum lease payments	\$ 414	\$ 574	\$ —
Present value of finance lease obligation	\$ 410	\$ 572	\$ —

As Lessor

The Corporation has operating leases to its tenants that are related to the investment property owned by the Corporation. Operating leases generally have terms of one to five years.

Rental income earned from investment property is reported as rental income, and associated operating expenses as rental operations expense, in the consolidated statement of income and comprehensive income.

The future minimum lease payments under non-cancellable operating leases, at March 31, 2021 are:

	Within one year	After one year to five years	More than five years
Future minimum lease payments	\$ 14,096	\$ 30,395	\$ 17,424

14 Long-Term Debt

	As at March 31, 2021	As at March 31, 2020
Balance, beginning and end of year	\$ 36,684	\$ 36,684

The Corporation's long term debt balance consists of two CPP Investment Board debt issues with the Province of Saskatchewan:

Date of Issue	Date of Maturity	Effective Interest Rate (%)	Coupon Rate (%)	Amount Outstanding March 31, 2019
July 11, 2008	July 11, 2038	4.71	4.71	\$ 23,684
May 3, 2010	May 3, 2040	4.80	4.80	13,000
				<u>\$ 36,684</u>

There are no scheduled principal debt repayments due in the next five years.

15 Equity Advances

Prior to March 31, 2011, under an operating agreement with the Government of Saskatchewan, the Corporation leased the majority of its assets for a nominal annual amount. Under the terms of this agreement, the Corporation had been assigned all rental revenue generated and was responsible for all costs associated with their operation.

On March 31, 2011, ownership of all of the assets previously leased were transferred to the Corporation through CIC. The transfer was accounted for at the book value of the assets being transferred and resulted in an equity advance from CIC in the amount of \$120,687.

A \$1,000 (2019/20 – \$1,000) equity repayment was paid to CIC during the fiscal year.

16 Operating and Administration Expenses

Total operating and administration expenses are as follows:

	2021	2020
Employee salaries and benefits	\$ 9,248	\$ 8,687
Amortization	9,300	9,250
Utilities	5,157	5,405
Grants in lieu of property taxes	4,950	4,801
Other	6,676	6,122
	<u>\$ 35,331</u>	<u>\$ 34,265</u>

17 Capital Management

The Corporation's capital management objective is to maintain financial viability by effectively managing cash from operations and its capital structure.

The Corporation's capital structure consists of notes payable, long term debt, retained earnings and equity advances. There is no share capital due to our ownership structure. The Corporation cannot directly access the capital markets for equity or debt issues. Dividends to CIC are determined through the Saskatchewan Provincial budget process on an annual basis.

The Corporation funds its capital requirements through internally generated cash flows, debt and equity advances. As a Crown corporation, the Corporation receives its debt from the Saskatchewan Ministry of Finance which allows access to the Province of Saskatchewan's strong credit rating and to receive financing at attractive interest rates. By legislation, the Corporation cannot have more than \$170 million (2019/20 – \$170 million) of debt outstanding at any time. In addition, by Order-in-Council, the Corporation may only have \$50 million (2019/20 – \$50 million) of short-term notes outstanding at any time.

The Corporation monitors its capital structure based on the debt ratio. The current long-term debt ratio target is 60%, which is consistent with the prior year. The ratio is calculated as follows:

	As at March 31, 2021	As at March 31, 2020
Long-term debt	\$ 36,684	\$ 36,684
Notes payable	18,550	19,639
Cash available to repay debt*	(19,212)	(18,048)
Total net debt	\$ 36,022	\$ 38,275
Retained earnings	\$ 34,624	\$ 34,562
Accumulated other comprehensive income	(6)	153
Equity advances	94,500	95,500
Total equity	\$ 129,118	\$ 130,215
Debt ratio	21.81%	22.72%

* Cash available to repay debt reflects cash and debt retirement funds, net of cash required for operations.

The Corporation complied with all externally imposed restrictions on its debt for the year ended March 31, 2021.

18 Commitments

The Corporation has several capital projects under construction. The estimated cost to complete projects under construction is approximately \$3,366.

19 Employee Future Benefits

The Corporation's employees are members of a defined contribution pension plan. The Corporation's financial obligation is limited to contractual contributions to the plan and paid \$538 (2019/20 – \$526) into this plan.

20 Financial Instruments

The following table presents the classification, carrying amounts and fair values of the Corporation's financial instruments.

		March 31, 2021		March 31, 2020	
		Carrying amount	Fair value	Carrying amount	Fair value
	Classification				
Financial assets					
Cash and cash equivalents	FVTPL	\$ 17,078	\$ 17,078	\$ 16,246	\$ 16,246
Trade and other receivables	AC	668	668	1,101	1,101
Debt retirement fund	FVOCI	5,134	5,134	4,802	4,802
Financial liabilities					
Trade and other payables	OL	\$ (5,291)	\$ (5,291)	\$ (4,226)	\$ (4,226)
Notes payable	OL	(18,550)	(18,550)	(19,639)	(19,639)
Dividends payable	OL	(101)	(101)	(994)	(994)
Lease liabilities	OL	(982)	(1,051)	(1,359)	(1,398)
Long-term debt	OL	(36,684)	(46,797)	(36,684)	(47,044)

FVTPL – fair value through profit or loss

FVOCI – fair value through other comprehensive income

OL – other liabilities

AC – amortized cost

Fair values

The fair values of cash and cash equivalents, trade and other receivables, trade and other payables, notes payable and dividends payable approximate carrying value due to their immediate or short-term nature.

Debt retirement fund is valued at the closing period-end unit prices received from the Saskatchewan Ministry of Finance.

Lease liabilities and long term debt is valued at the present value of future cash flows discounted at the market rate of interest for the equivalent Province of Saskatchewan debt instruments.

Fair value hierarchy

Fair value for cash and cash equivalents and the debt retirement fund are recognized in the consolidated statement of financial position. Cash, by its nature, is classified as level one. The debt retirement fund is classified as level two.

21 Financial Risk Management

a) Credit risk

Credit risk is the risk of an unexpected loss if a tenant or third party to a financial instrument fails to meet its contractual obligations.

The maximum credit exposure is limited to the carrying amount of cash and cash equivalents, trade and other receivables and the debt retirement fund.

Cash and cash equivalents are maintained with high-credit quality financial institutions and management considers the risk of non-performance to be minimal.

Although the Corporation's policy to promote economic development leads to accepting some tenants that have higher credit risk, potential losses are mitigated by the fact that no one tenant occupies more than 10% of rentable space. The Corporation also has established policies and procedures to assess the potential risk prior to extending credit to any client. The following reflects an aging summary of the Corporation's trade and other receivables:

	As at March 31, 2021	As at March 31, 2020
Current	\$ 596	\$ 873
31– 60 days	47	154
61 – 90 days	(1)	70
Over 90 days	460	389
	1,102	1,486
Allowance	(434)	(385)
Trade and other receivables	\$ 668	\$ 1,101

Provisions for credit losses are maintained and regularly reviewed by management. Credit losses are estimated based on an account by account review. Amounts are written off only after reasonable collection efforts have been exhausted. Details of the allowance are as follows:

	As at March 31, 2021	As at March 31, 2020
Allowance for doubtful accounts, beginning of year	\$ 385	\$ 687
Provision	—	—
Write-offs, net of recoveries	49	(302)
Allowance for doubtful accounts, end of year	\$ 434	\$ 385

Debt retirement funds are held by the Government of Saskatchewan's General Revenue Fund. The investment strategy is determined by the Ministry of Finance. At March 31, 2021, the debt retirement fund consists mostly of Provincial government and Federal government bonds with varying maturities and are managed based on maturity profile and market conditions. Accordingly, the related credit risk associated with these investments is considered low.

b) Interest rate risk

Interest rate risk is the risk of financial loss resulting from changes in market interest rates. The Corporation is exposed to interest rate risk on the maturity of its notes payable. Interest rate risk is managed through converting notes payable to long term debt with fixed interest rates. There were \$18,550 of outstanding short term debt instruments at March 31, 2021 (2020 – \$19,639).

The Corporation is also exposed to interest rate risk on its cash balances as the rate of return fluctuates with prime interest rates. The impact of fluctuations in prime interest rates is not considered significant to the Corporation.

c) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's cash resources are managed based on financial forecasts and anticipated cash flows. Management's viewpoint is the Corporation is able to generate sufficient funds to support the payments for these financial liabilities.

The following summarizes the contractual maturities at March 31, 2021:

	6 Months or Less	7 to 12 Months	1 to 2 Years	3 to 5 Years	More than 5 Years
Trade and other payables	\$ 5,291	\$ —	\$ —	\$ —	\$ —
Notes payable	18,550	—	—	—	—
Dividends payable	101	—	—	—	—
Lease liabilities	230	180	568	4	—
Long-term debt*	870	870	1,740	5,219	59,676
	<u>\$ 25,042</u>	<u>\$ 1,050</u>	<u>\$ 2,308</u>	<u>\$ 5,223</u>	<u>\$ 59,676</u>

* Contractual cash flows for long term debt include principal and interest payments but exclude debt retirement fund installments.

d) Market risk

Market risk is the risk that the value of an investment will decrease due to moves in market factors.

The Corporation is exposed to market risk primarily through the debt retirement fund. Fair value adjustments will fluctuate based on changes in market prices. Fair value adjustments similar to those experienced up to March 31, 2021 would not have a material impact on other comprehensive income.

22 Related Party Transactions

Included in these consolidated financial statements are transactions with various Saskatchewan Crown corporations, universities, ministries, agencies, boards and commissions related to the Corporation by virtue of common control by the Government of Saskatchewan. Non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan are considered related parties. The Corporation has elected to take a partial exemption under IAS 24, Related Party Disclosures that allows government related entities to limit the extent of disclosures about related party transactions with government or other government related entities.

Routine operating transactions with related parties are settled at agreed upon amounts under normal trade terms. Total rental revenue from related parties to March 31, 2021 was \$16,536 (2020 – \$16,414).

The Corporation pays Provincial Sales Tax to the Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Compensation of key management personnel

Key management personnel includes the Board of Directors, Corporate Officers and Executive Directors. The compensation paid to key management personnel was:

	March 31, 2021	March 31, 2020
Salaries, wages and short-term employee benefits	\$ 1,439	\$ 1,559
Post-employment benefits	77	88
	\$ 1,516	\$ 1,647

23 Discontinued Operations

On October 4, 2019, the Corporation and Boffins entered into agreements to transfer all food service operations in the Saskatoon park to an independent third party, Eurest Dining Services, a member of Compass Group Canada. The service transfer was effective November 15, 2019 and was done for no cash consideration.

The impact of discontinued operations on net earnings is comprised of the following:

	March 31, 2021	March 31, 2020
Revenue	\$ —	\$ 979
Operating expenses	—	(1,554)
Net loss from discontinued operations	\$ —	\$ (575)

Due to the nature of operations, the cash used in operating activities related to discontinued operations is reflected by the net losses.

24 Comparative Information

Certain of the March 31, 2020 information has been reclassified to conform to the current year's presentation.



1978

Research Park Development

At year-end, the Corporation held industrial property in Meadow Lake, Saskatoon, Regina, Weyburn, Moose Jaw and Melville, with considerations being given to a few other areas on the "rental" roster.

In 1977, the Corporation announced the establishment of a Research Park in Saskatoon on property leased from the University of Saskatchewan. This 80-acre park is being developed for the purpose of fostering the growth of industrial research in the province. Planning continued in 1978 and at year-end, the Corporation awarded a contract for construction of the first building in the park. This building, the SEDCO Centre, comprises approximately 100,000 sq. ft. and is featured on the cover of this report. It will have rental space available on either short or long term leases.

Additional buildings planned for the park include pilot plant structures which will be available for lease or purchase. The Corporation seeks to meet for the province — and, indeed, Canada.

Equity Investment

The Corporation's equity investment program was active during the year. It included the purchase of shares in several companies...

...and removed itself from ownership.

Indeed, SEDCO now emphasizes, in the agreement with the equity partner, the need for provisions spelling out the terms by which SEDCO's contractual arrangement is to ensure the right of investors to acquire full ownership under known ground rules.

In the year under review the Corporation reviewed its policies on equity acquisition and disposal and SEDCO will consider equity participation as a mechanism to an alternative for particular increased some of financing where an equity partner may be in a position to generally assist in a sufficient maturity of a financial interest.

Under these new policies, the Corporation's equity investment program was active during the year.

Organization and Personnel

During the year, Messrs. John Balfour, Samuel Basky and James Hutch resigned from the Board of Directors. Mr. John Paul Merritt, Deputy Minister of Industry and Commerce, was appointed to the Board and two vacancies existed at year-end.

SEDCO's restructured management arrangements include integration of all program elements under one "Program Division".



1977

These multi-tenant facilities located in Regina and Saskatoon were built at a cost of \$835,000. At year-end, the Regina multi-tenant facility was fully occupied and the Saskatoon facility was 85% occupied.

A significant step in the development of the province's first research park, was taken in late June with the signing of an agreement between the University of Saskatchewan and SEDCO. The agreement provides for the lease by SEDCO of an 80-acre site, adjacent to the Saskatoon campus, for a term of 84 years. Phase I of this project encompasses 35 acres of land capable of accommodating 675,000 square feet of building space.

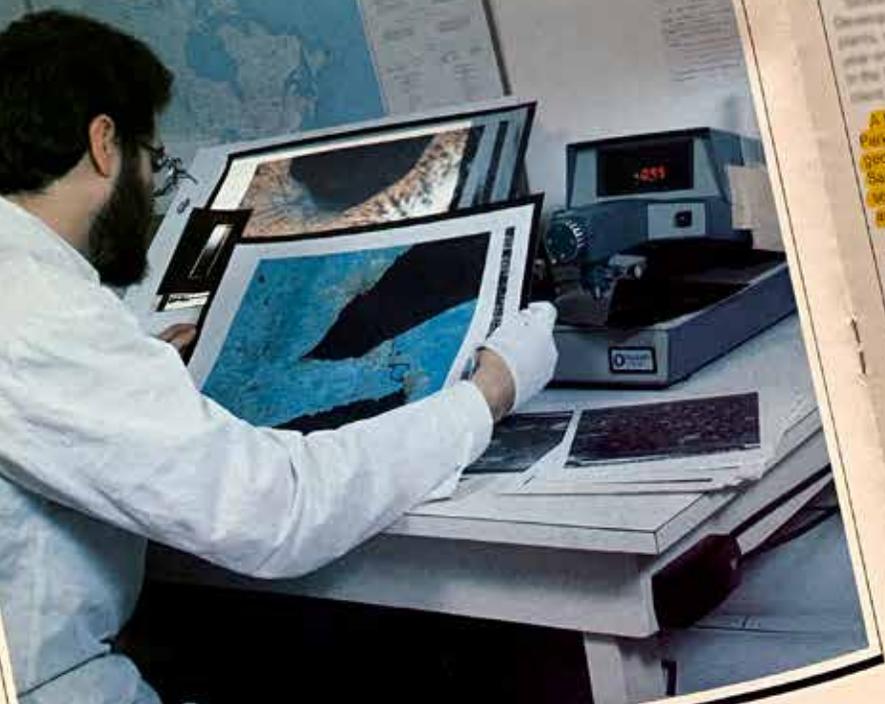
Construction of the primary services, roads and landscaping for the research park is estimated to cost \$2.5 million. Some preliminary grading operations were carried out in the latter part of the year.

The overall development plan, expected to take 15 to 20 years to complete, provides for a total of 15 research facilities with a combined area of 1.7 million square feet of space.

During the year, SEDCO sold three properties constructed to a large part of the year.

SEDCO

Saskatchewan's technical and scientific graduates find work in challenging jobs that SEDCO helps to develop. The photographs taken by satellite at this Prince Albert radar station are used by technicians to interpret information vital to improved farming and forestry operations and in soil feasibility studies.



SEDCO

1980

Research Park Project

The south site was in Standard Brands Limited and represented SEDCO's 12.3% interest in Central Canadian Distilling Corp. Ltd. This sale reflects SEDCO's policy of encouraging companies in which it has equity to buy back ownership from SEDCO where the investment is profitable.

At year-end, the Corporation's remaining equity investments in Saskatchewan based companies amounted to \$1 million.

This first phase of the \$1 million, 116,000 sq. ft. multi-tenant SEDCO Centre was 85% complete.

The Saskatchewan Research Council's 37,000 sq. ft. Resource Development Centre, consisting of an analytical testing lab and two pilot plants, will be located in site 1980. Negotiations were underway in the Park. A third building, to house in particular the physical category of plant, was under construction at year-end.

A Marketing Program has been launched emphasizing the Research Park as an "Innovation Place". Key factors in the marketing thrust are geographic proximity to a wider scientific community (represented by Saskatchewan Research Council, University of Saskatchewan and several life science research establishments) and SEDCO's flexible arrangements for accommodating tenants in the Park.

Dr. Richard C. Oultenton
Executive Director
The Innovation Place



Organization & Personnel

Several changes were made to the Board of Directors of SEDCO during 1979. Appointed to the Board were:

John K. Rowlett, lawyer and partner in the Saskatoon law firm of Greenberg, Taylor, Rowlett, Buckwald and Halverson; and Donald G. Merritt, C.A., partner in the Prince Albert office of the firm of Daniels, Hawkins & Sells.

T. Patrick Bell retired from the Board, following five years of service to assume additional responsibilities relating to the appointment as Chief Executive Officer of Federated Cooperatives Ltd.

In early 1980 Bruce E. A. Yeo was appointed to SEDCO's Board of Directors. Mr. Yeo is Vice President, Research and Development for Imperial Steel & Pipe Corp. Ltd. in Regina.

A third branch office for SEDCO was established in Prince Albert early in 1979. This was another step in the Corporation's continuing aim of insuring better access to its services for the Province as a whole.

The level of staffing for the Corporation in 1979 was maintained at approximately the level of the previous year.



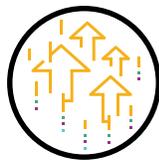


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HELPING GROW SASKATCHEWAN'S TECH SECTOR