



# ANNUAL REPORT

2021 | 22



Helping grow  
Saskatchewan's  
tech sector.



# LETTER OF TRANSMITTAL

Saskatoon, Saskatchewan  
July 2022

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

May it please Your Honour:

I have the honour to submit herewith the annual report of Saskatchewan Opportunities Corporation for the fiscal year ending March 31, 2022, 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 JEREMY HARRISON**

*Minister Responsible for Innovation Saskatchewan*

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# MESSAGE TO OUR STAKEHOLDERS

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

The 2021/22 Annual Report gives us an opportunity to reflect on our product – a unique and comprehensive working environment – to ensure our efforts provide value to our community of tenants, potential tenants and stakeholders and to evaluate opportunities for the future. It also allows us to reflect on our commitment to enhanced business development, increased operational efficiencies and continued focus on our people.

Our environment integrates five key aspects: technical, social / collaborative, physical, business and tenant clusters of activity. These five factors align with the priority research areas of the province's two universities, located adjacent to our parks, and the key sectors in the Saskatchewan Growth Plan to create a comprehensive and interconnected tech ecosystem.

Following the conclusion of another fiscal year, we are pleased to provide a snapshot of our progress that directly supports our mandate of helping grow Saskatchewan's tech sector.

## CELEBRATING OUR SUCCESSSES

As the COVID-19 pandemic continued, we provided ongoing safety protocols and offered value-add services such as upgraded video conferencing equipment, on-site food services and hybrid programming. In response to changing market demands, we launched a unique, flexible space for startups and early-stage tech companies to work and scale. This shared space, temporarily referred to as the Innovation Hub, allows these companies to connect with one another as well as innovation leaders in the province. This new product was launched in Regina in January 2022 and a similar product will be added in the Saskatoon park in 2022/23.

We enhanced our communication with tenants by providing two new communications tools: the Innovation Place Connect app and Return to Work Guide website. These electronic resources kept our community informed and connected about park updates and relevant business trends and special perks, offering a central location for tenant-specific information to accommodate tenant employees' work locations (i.e., on-site, remote or hybrid).

We continued to offer a wealth of programming, both in-person and online, ranging from educational lunch and learns and networking events like our monthly Pi O'clock series in partnership with Siemens Digital Industries Software to Startupville podcasts and Brain Bites videos that welcomed entrepreneurs, local experts and mentors to share their stories and knowledge. In 2021/22, we were pleased to offer 86 events attracting over 4,700 participants, along with 17 partnership programs with a multitude of tenant benefits to help grow and enrich their businesses.

We were proud to partner with several organizations this year and deepen our commitment to growing the tech sector with unique advancement, business and educational opportunities.

In partnership with Ag-West Bio, the Global Institute for Food Security (GIFS), and the Saskatchewan Food Industry Development Centre, the Global Agri-Food Advancement Partnership (GAAP) was launched in December 2021. Through their partnership with Innovation Place, GAAP will offer soft-landing incubator space including labs and greenhouses for Agri-tech startups. This facility will help remove barriers for agri-food companies so they can innovate, grow and scale nationally and globally during their time at this unique accelerator and incubator facility. Additionally, to support the increasing focus on ag-tech in the province, we partnered with Ag-West Bio to create and launch The Knowledge Farm series, Saskatchewan's premier forum producing connections that grow innovative ideas in agri-food and bioscience. The series held at Boffins Event Centre has already seen great success building new connections and expanding relationships within the ag-tech community.

We welcomed several new tenants to our park community with an impressive and diverse focus, including the distinguished organizations NRGene, GIFS and Saskatchewan Polytechnic's Digital Integration Centre of Excellence (DICE).

Throughout this Annual Report, we've highlighted and expanded upon our multitude of accomplishments in 2021/22. We're extremely proud of our park community and are excited to share and celebrate these milestones.

## CREATING A NEW INNOVATION AGENCY

On March 23, 2022, the Government of Saskatchewan announced the creation of a single innovation agency, aligning Innovation Place with Innovation Saskatchewan to help grow the province's technology sector. With this shared mandate effective April 1, 2022, the new agency is poised to strengthen Saskatchewan's reputation, mandate and programs, and help maximize the economic potential of its research infrastructure assets.

We were fortunate to have Innovation Saskatchewan as a tenant in our Saskatoon and Regina parks. Now, we band together to support our vibrant tech community. Our collective facilities, programming and funding opportunities for startups and early-stage tech companies, along with our support of research institutes within and outside the parks, will ensure the province's innovation ecosystem continues to evolve and thrive.

Thank you for your interest in Innovation Place – and special thanks to our employees, tenants and tech community for helping us grow Saskatchewan's tech sector. It continues to be the reason we exist and we're excited to fulfill this important mandate with Innovation Saskatchewan.



**VICTOR T. THOMAS**

*Board Chair*



**BRENT SUKENIK**

*Acting President and  
Chief Executive Officer*



**HELPING  
GROW  
SASKATCHEWAN'S  
TECH  
SECTOR**

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INNOVATION PLACE

# OUR STRATEGY

## 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

### 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

### 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.

# BOARD PRIORITIES

Since 2014, SOCO has supported five key strategic priorities, which have been embedded 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

# INNOVATION PLACE FACTS & FIGURES



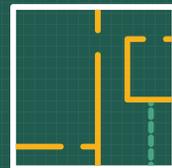
150+  
TENANTS



3.7K+  
TENANT  
EMPLOYEES



26  
BUILDINGS



1.8M  
SQUARE FEET

## SASKATOON

113  
TENANTS

2.7K+  
TENANT  
EMPLOYEES

20  
BUILDINGS

1.3M  
SQUARE FEET

## REGINA

38  
TENANTS

1K+  
TENANT  
EMPLOYEES

6  
BUILDINGS

459K  
SQUARE FEET



OUR TENANTS ARE

# AWARD-WINNING

Our tenants are at the forefront of innovation in the province and they've got the awards to prove it! This year we were proud to celebrate many tremendous achievements in the parks, including:

**VeriGrain** wins prestigious 2022 Davidson Prize for top innovative product in agriculture — a grain sampling app and data management system

**SalonScale** wins 2021 STIC Product Award (operating 5 years or less) for a unique colour management scale and app system

**Rivercity Innovations** wins 2021 SABEX Entrepreneurship Award recognizing their award-winning IoT technology and monitoring solutions



# OUR BUSINESS

## OUR PURPOSE

### TO HELP GROW SASKATCHEWAN'S TECHNOLOGY SECTOR

In its simplest form, SOCO exists to help grow Saskatchewan's technology sector.

By doing what we do, and doing it well, technology companies start in Saskatchewan, grow in Saskatchewan and stay in Saskatchewan.

And in turn ...

- highly skilled jobs are created that keep Saskatchewan graduates in the province;
- intellectual capital is attracted to, and retained in, Saskatchewan;
- local opportunities for entrepreneurs are created;
- the ongoing competitiveness of the Saskatchewan economy is supported; and
- the international reputation of Saskatchewan's technology sector is enhanced.

## OUR PRODUCT

### AN ENVIRONMENT THAT ENCOURAGES INNOVATION, COLLABORATION AND ENTREPRENEURSHIP

Although the majority of SOCO's revenue comes from the rental of buildings, our product is much more than the space we rent. Our product, and what sets us apart from real estate companies, is the unique and comprehensive nature of the working environment we provide our tenants and their employees, the impact this environment has on growing these companies and, in turn, the technology sector in Saskatchewan.

Our environment integrates five key aspects.

#### OUR ENVIRONMENT



Tenants / Clusters



Technical



Social / Collaborative



Physical



Business

## SASKATOON MANAGEMENT ADVISORY COMMITTEE

### Dr. Baljit Singh

Vice President  
Research  
University of  
Saskatchewan

### Ms. Janelle Hutchinson

Chief Strategic  
Officer  
Finance & Resources  
University of  
Saskatchewan

### Ms. Alix Hayden

Interim Director  
Research,  
Excellence and  
Innovation  
University of  
Saskatchewan

### Ms. Kari Harvey

President and CEO  
Innovation  
Saskatchewan

### Mr. Brendan Reding

Regional Director,  
Industrial Research  
Assistance Program  
National Research  
Council

### Mr. Alex Fallon

President and CEO  
Saskatoon Regional  
Economic  
Development  
Authority

### Mr. Adam Hughes

Director, Information  
Technology  
City of Saskatoon

### Ms. Toby Arnold

Vice President  
Organizational  
Effectiveness  
Saskatchewan  
Research Council

## REGINA MANAGEMENT ADVISORY COMMITTEE

### Dr. Christopher Yost

Associate Vice  
President, Research  
University of Regina

### Mr. Neil Paskewitz

Associate Vice  
President, Facilities  
Management  
University of Regina

### Mr. Larry Hiles

Chair  
TEC (The Executive  
Committee) Canada

### Mr. Jim Nicol

Interim City Manager  
/ City Clerk  
City of Regina

### Mr. Wayne Goranson

Managing Director  
Mera Group of  
Companies

### Mr. Andrew Wahba

Director  
Innovation  
Saskatchewan

## Tenants and Clusters

The primary target for tenants at Innovation Place is Saskatchewan-based **private technology companies**. These companies 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 a critical component of our environment. Networks developed between organizations and the individuals within those organizations speed the sharing of ideas and information. Industry specific clusters, such as Agri-tech, share the greatest common interest and collaborate more actively.

Our technology parks are strategically located adjacent to Saskatchewan's two universities, making us **part of a larger scientific community** that includes university colleges and faculty members, research institutes and other technology related institutions. These dynamic collaborative communities are designed to help move ideas out of the laboratory and into the marketplace. They are also great places for local graduates to begin and grow their careers.

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 laboratories. 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 high-pressure steam and chilled water are distributed on a park-wide basis.

From a network perspective, tenants access the internet through our sophisticated, **high-capacity network infrastructure**. This results in very reliable internet access to tenants by routing traffic to multiple internet service providers, allowing traffic to take the most efficient path and seamlessly redirecting this traffic when maintenance occurs. Our high bandwidth network also allows tenants to upload at speeds equal to or greater than download speeds – an uncommon and highly desirable feature for companies moving large amounts of data. Additionally, through our campus networks in Saskatoon and Regina, we provide access to the Saskatchewan Research Network and Canada's national research and education network (CANARIE). With multiple routes to the internet, automatic failover and localized backup power generation capacity in the event of a power failure, Innovation Place offers our tenants leading-edge communications access. To accommodate working from home, for the benefit of both our employees and our tenants' employees, enhancements were made to the park network.

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.

## Social

The interaction of tenants, important for productive collaboration, is enabled through active programming that includes the organization of social events, business seminars, sports leagues and tournaments, fitness facilities, food services, games rooms and various other activities.

To further support our differentiation goals and growth of the ecosystem, we use **programming** to help us attract, retain and grow technology tenants and facilitate startup company formation. Events are targeted at tenant appreciation, building tenant capacities through education and building our community. We often partner with tenants and industry leaders to leverage resources and expertise while keeping content current and relevant. The variety of formats is intended to address issues entrepreneurs face while providing opportunities for networking and collisions between tenants.

The design of buildings and grounds incorporate **ample public spaces** that attract employees during the workday and offer multiple opportunities for informal interaction. 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** provide a credible platform for tenants as they market themselves and their products. Our facilities use the most advanced building systems and 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 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 an added tool for recruitment.

A key consideration for growing companies is the access to a **variety of space types and sizes**. Our specialty spaces allow companies to locate labs, greenhouses and associated offices in close proximity to support their business efficiencies. Additionally, with a range of options from business centres to large suites, tenants that are scaling can readily adapt the size of their space to match their growth.

## 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 our 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.

In addition to raising awareness about the parks, **strategic partnerships** are critical for reaching our goals. They add value for our tenants, differentiate our product and allow us to leverage resources and opportunities for the benefit of the entire tech ecosystem. We have collaborated with several tenants and industry partners on a variety of events and sponsorships. In our Saskatoon park, Co.Labs is an excellent example of this concept in action. The partners have integrated programming and promotion as applicable, while mutually supporting each other's events for the entire tech industry. Through a flexible lease arrangement, they expanded their programs and space to accommodate scaling companies, which form part of our startups metric. Through this fertile environment, companies are achieving success and graduating from Co.Labs into their own suites, often at Innovation Place or elsewhere in Saskatoon.

In an effort to further support tech companies, we have developed a series of leveraged partnerships that aim to accelerate tenant growth while limiting their risk. As part of the Innovation Place community, companies and founders have access to over \$310,000 in credits and discounts through 17 different partnership programs. These programs distinguish Innovation Place as a value-add partner and establish meaningful monetary and speed advantages for companies located at the parks.

# 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.

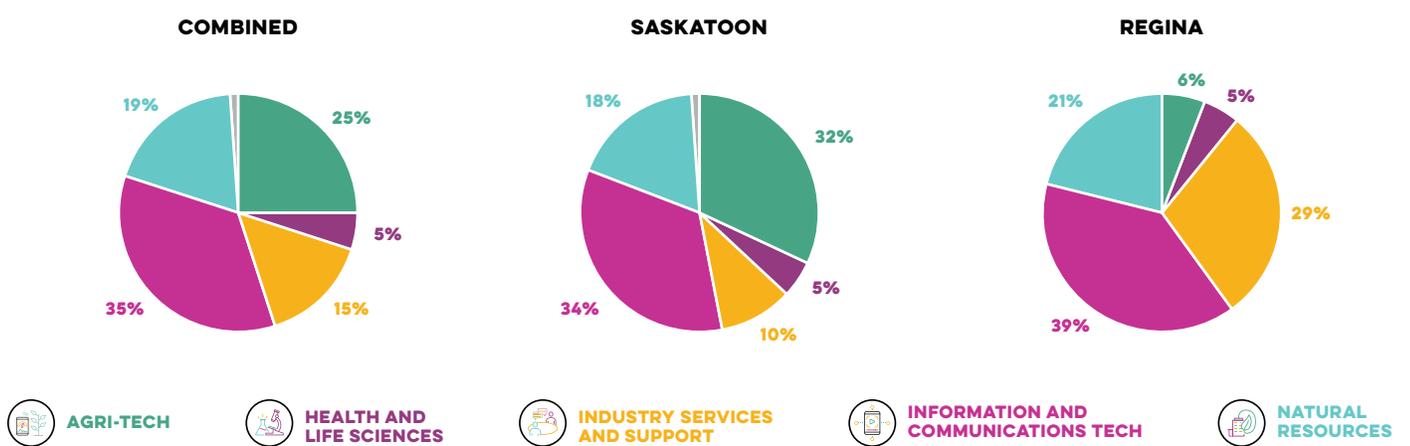
## Established Sectors

The core strategic basis for technology parks is that the physical clustering of technology organizations in a campus environment provides the opportunity for greater success through the benefits of networking, sector-specific programming and education, inter-company / institute collaboration and economies of scale (accessing infrastructure that may not otherwise be available). Implicit in this strategy is that the larger and more engaged the localized cluster, the greater the benefits.

Building on the strengths of the University of Saskatchewan, our Saskatoon park is focused on cluster development in Agri-tech, Information and Communications Technology (ICT) and Natural Resources. Similarly, our facilities in Regina align and leverage the ICT and Natural Resources research underway at the University of Regina.

The three largest sectors at Innovation Place are in direct alignment with several of the actions and goals reflected in the Saskatchewan Growth Plan.

### SECTOR BREAKDOWN



## 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.

## 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 is 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 through in-kind support. We also work with our tenants as our partners since they play a large part in contributing to the success of our parks.

## 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.

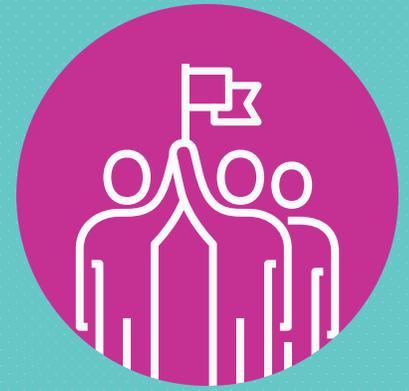
As new revenue opportunities are limited, we also find innovative ways to control costs while still providing maximum value to our stakeholders. This includes continued focus on process improvements internally, but where possible, collaboration with the private sector and other Crowns.

## 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.



EACH YEAR WE WELCOME

# EXCITING, NEW TENANTS

We were excited to welcome new tenants in a variety of sectors to our parks this year, including Global Institute for Food Security (GIFS), SolusGuard, NRGene, Saskatchewan Polytech's Digital Integration Centre of Excellence (DICE), Algorithm Ingredients and DEEP Earth Energy Production.



# 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, 2022. What follows will provide the context within which the Corporation's financial statements should be analyzed.

## MARCH 23, 2022 BUDGET ANNOUNCEMENT – INTEGRATION WITH INNOVATION SASKATCHEWAN

On March 23, 2022, the Government of Saskatchewan announced as part of the Provincial Budget the creation of a single innovation agency in the province by moving the Saskatchewan Opportunities Corporation (SOCO) under the authority of Innovation Saskatchewan.

The alignment of SOCO and Innovation Saskatchewan into a single agency strengthens the province's reputation, mandate and programs and helps maximize the economic potential of its research infrastructure assets. The change was effective April 1, 2022.

## 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.

Due to the budget day announcement regarding integration with Innovation Saskatchewan and the uncertainty about corporate structure and reporting, any forward looking information is limited.

## 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 is presently home to 113 tenants that occupy approximately 1.3 million square feet in 20 separate buildings. The Regina campus, opened in 2000, consists of 6 buildings housing 38 tenants and totaling approximately 459,000 square feet. The number of people working in Innovation Place facilities is approximately 3,700.

## ADVANCING OUR STRATEGY

We focused on four key business initiatives during 2021/22, with progress being made in all areas.

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

### Product enhancements

Over the past year we have implemented several initiatives aimed at enhancing value provided to our tenants and other stakeholders. Certain changes were made in response to stakeholder requests, while others were made in response to addressing the ongoing pandemic and changing market demands.

**Innovation Place Digital Communication** — In December 2021 we launched Innovation Place Connect, a digital application to enhance tenant communication and engagement. This tool allows us to reach each tenant employee individually, increasing awareness and efficiency for users through seamless and timely messaging. In addition, the corporate website was redesigned with an intentional focus on the services we offer to current and potential tenants. Through the integration of these tools, further updates will be made to the website to ensure consistency and efficiency for tenants while removing duplication.

**Expanded Partnership Programs** — Building on an already extensive leveraged partnership program, we developed new relationships with third parties to support tenants in areas such as human resources, recruitment, culture, customer experience, international recruiting and an advanced benefits program specifically for tech companies. We currently have 17 arrangements in place, providing companies access to credits and discounts in excess of \$310,000 and exclusive tools and services to help grow their businesses. As of March 31, 2022, 71 of our tenants have entered into 146 business arrangements through this program. Further information on these partnerships can be found at: [innovationplace.com/partnerships](https://innovationplace.com/partnerships).

### Enhanced Video Conferencing Capabilities

Innovation Place upgraded common meeting rooms and the Boffins Event Centre with video conferencing equipment allowing tenants to leverage current technology for their meeting requirements while supporting hybrid work models.

**Video Series** — To adapt to changing conditions during the pandemic, Innovation Place transitioned educational sessions to virtual presentations and launched the new Brain Bites video series designed specifically for digital consumption. Tackling topics such as entrepreneurship, human resources, marketing and financial advice, industry experts and tenants shared concise and highly informative tips with our tech audience.

TOTAL TENANT PROGRAMMING



**85+**  
EVENTS HOSTED

Community gatherings, appreciation events, lunch and learns and more!

**4,700+**  
ATTENDEES

We made it work whether online or in-person!



**Return-to-Work Guide and Initiatives** — As tenants navigated their pandemic strategies, Innovation Place understood that plans would vary for each tenant and launched a return-to-work strategy called “We’re Ready When You’re Ready”. Through dedicated weekly correspondence, we shared best practices and updates on modified events and new services to support tenants’ plans. Several new services were launched including subscriptions for floral and produce delivery, walking path resources, enhanced cleaning options, vaccination clinics and modified programming to welcome tenant employees at their own pace.

**Building Improvements** — Continued improvements in building common areas helped maintain the high-quality image our tenants rely on for attracting and retaining talent. Innovation Place took advantage of the reduced number of tenants on site during the pandemic to renovate lobby finishes, elevators and washrooms in certain buildings.

**Innovation Hub** — While Innovation Place has always focused on providing flexible spaces for growing companies, we have struggled to provide a product that aligns with small incremental growth for scaling tenants. In collaboration with stakeholders, we piloted a new product in Regina that is temporarily referred to as the Innovation Hub. Leveraging an existing suite, we brought this concept to market quickly, providing a collaborative environment of individual offices, dedicated open desks and flexible “hot desks” for scaling companies to grow by an office or workstation at a time. Coupled with the provision of shared amenities such as meeting rooms, phone booths, a large kitchen and in-suite common areas, we also facilitated ecosystem development by co-locating innovation leaders and startup companies. Planning is underway for a similar concept in Saskatoon to be operational later in 2022.

**Value Proposition Review** — As our tech ecosystem evolves, Innovation Place recognized an opportunity to review our value proposition to ensure we are meeting the needs of tenants and stakeholders. Our internal product findings were validated in the fourth quarter through one-on-one meetings with tenant decision makers and surveys. Our external Stakeholder Awareness Survey was also adapted to obtain additional feedback from the industry on our perceived contributions to the tech ecosystem. All data has been analyzed and recommendations are being formulated to be included as part of the integration strategy discussions.



**WE ARE**

# **FILLING THE GAP**

**IN THE AGRI-FOOD  
INNOVATION PIPELINE**



We strive to find new ways to help support the tech sector and this year we partnered with Ag-West Bio, Global Institute for Food Security (GIFS) and the Saskatchewan Food Industry Development Centre to create the Global Agri-Food Advancement Partnership (GAAP).

GAAP is aimed at helping early-stage companies in the agri-food sector through access to training, mentorship, investors and our world-class facilities at Innovation Place.



## Business Development and Enhanced Focus on the Tech Ecosystem in Saskatchewan

An integral part of our business model is to attract and build relationships with key businesses, industry organizations, educational institutes, government agencies and non-government entities. Fostering partnerships with relevant organizations strengthens the entire tech ecosystem and supports the growth of private technology companies by creating collaboration opportunities, leveraging resources and increasing community awareness.

To support these activities, we made a few structural changes to our Executive team at the start of the year, increasing the strategic focus on business development. Staff roles were aligned with a renewed focus on strategic partnerships. We also revised the strategy for the use of Management Advisory Committees to better leverage their existing connections to industry and innovation leaders in the province – a shift which has been very productive so far.

Despite lingering impacts from the pandemic, tenant activity in the Information and Communications Technology (ICT) and Agri-tech sectors in the parks remained strong during 2021/22. The net number of tenants increased by seven as compared to year-end for 2020/21, and the majority of our specialty space (greenhouses and growth chambers) was leased for the first time in several years. There was a record amount of investment in Saskatchewan companies and we have facilitated expansions for several tech tenants, with more expansions pending.

Coming through the pandemic, industry activities resumed in the third and fourth quarters, providing opportunities to reconnect and re-establish key stakeholder relationships. Two key new initiatives included partnerships with StartupTNT and Women Entrepreneurs of Saskatchewan (WESK) Tech Founders Table. By providing investment funding and access to business supports, both initiatives are well aligned with our goals to grow tech startups. Our leveraged partnership programs continue to differentiate Innovation Place and are perceived as game-changers by our tech companies. A company with grant-matching software was added in 2021/22 with several other partners already secured for early 2022/23.

In addition to the leveraged credit programs, we also partnered with several tenants and industry associations on a variety of initiatives. Some current examples are noted below.

### **Global Agri-Food Advancement Partnership (GAAP)**

— In partnership with Ag-West Bio, the Global Institute for Food Security (GIFS) and the Saskatchewan Food Industry Development Centre (Food Centre), Innovation Place helped launch GAAP in December 2021. Through this partnership with Innovation Place, GAAP will offer soft-landing incubator space including labs and greenhouses for Agri-tech startups. Their concierge services will provide early-stage companies with networking opportunities, training, pathfinding and financial investment. When supplemented with research support from GIFS and the Food Centre, growth for startups and companies expanding into Canada will be accelerated. We also anticipate collaborating on programs that can be leveraged in the Agri-tech sector to support the entire ecosystem.

**Ag-West Bio** — During 2021, we entered a strategic partnership with Ag-West Bio to co-brand and co-deliver a series of ag-related programs for the year called The Knowledge Farm. Through this initiative, we formulated regular programming in the Boffins Event Centre, allowing us to leverage that unique amenity in new ways.

### **Saskatoon Food and Ingredient Processing Cluster (SFIPC)**

— In collaboration with Ag-West Bio and a growing group of industry partners, this team is working to leverage resources and infrastructure in the Saskatoon area for the benefit of the entire agri-food cluster.

### **Global Institute for Food Security (GIFS)**

— Renovations were completed in 2021/22 for GIFS to occupy integrated greenhouse, laboratory and office space in the Saskatoon park. GIFS works with partners to discover, develop and deliver innovative solutions for the production of globally sustainable food. As they continue to develop and expand their scientific programs and capabilities, we anticipate collaboration opportunities will arise with Innovation Place and across the entire food production value chain.

## Operational Efficiencies

We continue our participation in several CIC-led Crown Collaboration initiatives. Most notable initiatives believed to provide benefits and efficiencies to our organization are Supporting Innovation in Saskatchewan, Information Technology, Indigenous Engagement and Property Management. We have already realized cost savings in the areas of shared services for CEO / CFO certification, internal audit, legal and contracts negotiated by SaskBuilds with inclusion stipulations for other parts of government.

In 2004, SOCO implemented a business system to manage data collection for key operating areas of the organization and efficiently provide financial reporting capabilities to internal and external stakeholders. At the time of implementation, there were gaps in the capabilities of the software which were addressed through customizations. Over time, the software has evolved to include features that were previously customized and new features that provide an opportunity for process improvement. Much of the planning and preparation to remove the customizations was done in 2021/22 with the implementation of the changes to occur in 2022/23.

Over the last two years, through the time of the pandemic, we have realized a cost reduction in the areas of training and associated travel. Many organizations have offered complimentary and paid virtual training or microlearning opportunities to our employees. Although this has proven beneficial, we have found gaps in learning for more technically-focused training and the loss of opportunity in building people networks that in-person training offered. We expect that as training providers navigate to post-pandemic operations, we will see an increase of in-person training into the future.

## Focus on our People

In the prior year we formalized a People Strategy which outlines our commitment to our employees focused on 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

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 who 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.

In support of our People Strategy, we launched a Leadership and Career Development program to address the dependency of our future success on employee engagement and retention. We expect this will create a path for employees to fill critical roles within the organization. In 2021/22 we had 22 employees work with 13 internal career coaches to develop plans for individual career progression.

In 2021/22 we added a new Balanced Scorecard measure that focused on Health and Safety. This is an index of leading measures and outcomes with the goal of continuous improvement within the organization. It supports our People Strategy and employees in achieving greater focus on safety through training, inspections and a shift in culture.

## BUSINESS ENVIRONMENT

### Vacancy

Although leasing activity in the parks continues to be strong and there is noticeable growth in our key sectors, overall vacancy at Innovation Place increased by 1.95% from the prior year – the fifth consecutive year vacancy levels have increased year over year. These increases are the result of the departure and downsizing of significant tenants which continues to have a negative impact on overall vacancy.

The continued higher than desirable vacancy levels in both Saskatoon and Regina create financial and operational pressures for Innovation Place with the obvious impact of higher vacancy being lower bottom line results.

This higher vacancy situation is consistent with commercial vacancy trends in both cities. By way of example, at December 31, 2021, Colliers International advised that vacancy rates in Saskatoon and Regina were 16.3% and 17.5% respectively. As of March 31, 2022, our vacancy rates were 16.34% (Saskatoon) and 18.41% (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, rather than 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, this 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. This 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%
-  Not available

## 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.

## Crown Collaboration

1	Collaboration	
	2020/21 Actual	N/A
	2021/22 Target	\$50 million
	<b>2021/22 Actual</b>	<b>Not available</b>

The objective of Crown Collaboration is to drive benefits across the Crown sector, align with Saskatchewan's Growth Plan and support the Crown Sector Strategic Priorities. In 2021/22 collaborative work continued with a focus on 13 areas coordinated by CIC. SOCO fully participated in most of the 13 areas with particular attention to Supporting Saskatchewan's Technology Sector, Investment Attraction, Indigenous Engagement, Shared Strategic Procurement, Information Technology / CIO Group, Property Management, Red Tape Reduction and Mental Health. The combined results of the Crown efforts are indicated in this measure.

## Create Awareness

2	Percentage of stakeholders aware of Innovation Place and its purpose	
	2020/21 Actual	69%
	2021/22 Target	75%
	<b>2021/22 Actual</b>	<b>55%</b>

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

- 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, 55% of stakeholders are aware of Innovation Place and its purpose. The survey was distributed to 120 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. With minimal in-person events and sponsorship opportunities over the past year resulting from pandemic impacts, we believe our visibility and awareness may have been impacted with industry stakeholders.

### Attract Technology Opportunities

3	Number of startup companies locating at Innovation Place	
	2020/21 Actual	12
	2021/22 Target	12
	<b>2021/22 Actual</b>	<b>9</b>

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. We believe the significant reduction in events and sponsorships during the pandemic impacted the number of new startups. In addition, a couple were delayed until April which will count in 2022/23 instead.

In total, Innovation Place has supported the establishment of 205 new private sector startup companies since 1993.

### Support Technology Opportunities

4	Percentage of tenants benefiting from flexible and supportive business arrangements	
	2020/21 Actual	31%
	2021/22 Target	37%
	<b>2021/22 Actual</b>	<b>36%</b>

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 151 tenants located at Innovation Place at March 31, 2022, 55 (36%) are benefiting from flexible and supportive business arrangements.

The increase in 2021/22 was anticipated as tenants continue to recover from pandemic impacts. In addition to increased flexible lease arrangements, more tolerance with accounts receivable was required based on cash flow restraints.

### Private Sector Engagement

5	Percentage of non-government tenants	
	2020/21 Actual	88%
	2021/22 Target	89%
	<b>2021/22 Actual</b>	<b>88%</b>

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, 2022 is 133 or 88% of our total tenant base.

## 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

6	Number of unique business partnerships in place to advance the goals of Innovation Place	
	2020/21 Actual	27
	2021/22 Target	22
	<b>2021/22 Actual</b>	<b>26</b>

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 26 partnerships utilized in 2021/22 meeting the criteria for this measure. During the year, we expanded our partnership program credits and discounts aimed at helping our tenants accelerate their growth while limiting their risk by adding our first funding partnership. A new relationship was formed with StartupTNT as they commenced operations in Saskatchewan, including collaboration on the Great Saskatchewan Pitch Marathon and Investor Summits.

## Skilled and Productive Workforce

7	Percentage of employees fully engaged in their work	
	2020/21 Actual	75%
	2021/22 Target	80%
	<b>2021/22 Actual</b>	<b>68%</b>

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 2021, 68% of Innovation Place employees are engaged in their work. The participation rate for the survey was 90%, which provides a high level of confidence in the accuracy of the results. Although our number is slightly below target, survey results across North America indicate engagement levels have been dropping since 2020 to 64% and are expected to continue falling based in large part on the implications of change due to the pandemic.

8	Average training days per employee	
	2020/21 Actual	5.6
	2021/22 Target	5.0
	<b>2021/22 Actual</b>	<b>6.84</b>

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 6.84. Training in key areas continues to be maintained and alternative lower cost training promoted. In total, 4,276 hours of training was completed, up from 3,560 hours in the prior year.

## Health and Safety

9	Health and safety index	
	2020/21 Actual	N/A
	2021/22 Target	82
	<b>2021/22 Actual</b>	<b>85</b>

To ensure Innovation Place continues to improve the health and safety of employees, this measure focuses on health and safety training, safety culture, safety objectives and completing safety inspections. It also measures outcomes by collecting information on the number of injuries and time loss.

At year end the weighted average of all leading measures and outcomes was 85, exceeding the annual target set for the year. 18 of the 21 safety-related initiatives planned for the year were completed, along with all safety inspections, with the exception of one building. The frequency of inspections was updated during the year but we were unable to get one building inspected during this time. We renewed the majority of safety training and certifications, and realized favourable results through the Safety Culture survey. The increase above target was the result of the reduction in injuries from prior years with only one recordable injury and no time loss injuries in 2021/22.

## Tenant Satisfaction

10	Percentage of CEOs that would recommend Innovation Place to another organization	
	2020/21 Actual	92.2%
	2021/22 Target	95%
	<b>2021/22 Actual</b>	<b>91%</b>

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 91% of the CEOs would recommend Innovation Place to potential tenants. Comments in support of this rating indicate tenants see great value in being part of the tech community at Innovation Place, recognize the quality of facilities and receive excellent service from staff. Specific examples include access to relevant programming and networking opportunities, availability of specialized services and facilities, and knowledgeable staff.

The attractiveness of the physical environment and park amenities also contributes 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

11	Cash return as a percentage of cost of assets	
	2020/21 Actual	3.81%
	2021/22 Target	3.34%
	<b>2021/22 Actual</b>	<b>3.71%</b>

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 3.71%, slightly higher than the 3.34% target set for the year.

12	Debt ratio	
	2020/21 Actual	21.81%
	2021/22 Target	24.49%
	<b>2021/22 Actual</b>	<b>21.38%</b>

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, 2022 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

13	Corporate administration as a percentage of revenue	
	2020/21 Actual	10.86%
	2021/22 Target	11.87%
	<b>2021/22 Actual</b>	<b>9.97%</b>

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 2021/22 is lower than the annual target due to reductions in various administrative expenses, including reduced salaries due to vacancies and decreased travel and training costs due to the pandemic.



## WE LOVE WORKING WITH **PARTNERS**

**TO MAKE SASKATCHEWAN'S  
TECH ECOSYSTEM EVEN BETTER**

We're not afraid of rolling up our sleeves and getting to work! We were excited to take a more hands-on role with our industry partners and help create and support dynamic events for the tech ecosystem. Check out a few!

**The Knowledge Farm:** Saskatchewan's premier forum producing connections that grow innovative ideas in agri-food and bioscience, cultured by Innovation Place and Ag-West Bio

**Startup TNT Investment Summit:** An inspiring opportunity bringing together a community of entrepreneurs and investors to build amazing tech companies, hosted at Boffins Event Centre and presented by Innovation Place and Startup TNT

**Pi O'Clock:** The Saskatchewan tech sector's place to mix, mingle and get to know each other, presented by Innovation Place and Siemens EDA



14 Building operating cash flow per square foot 

2020/21 Actual	\$11.24
2021/22 Target	\$10.98
<b>2021/22 Actual</b>	<b>\$11.00</b>

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.

## Innovation

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

## Environmental Sustainability

15 Attain 'BOMA BEST' average points per building 

2020/21 Actual	81.5%
2021/22 Target	82.0%
<b>2021/22 Actual</b>	<b>80.0%</b>

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 six buildings during the year. Four buildings retained gold ratings, one retained silver and one moved from platinum to gold.

## Space Utilization

16 Vacancy as a percentage of total space inventory 

2020/21 Actual	14.96%
2021/22 Target	17.18%
<b>2021/22 Actual</b>	<b>16.91%</b>

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 16.91% during 2021/22. Vacancy rates remain consistent with the overall industry office trends of 17.5% in Regina and 16.3% in Saskatoon.

## Infrastructure Sustainability

17 Building condition score 

2020/21 Actual	85.98
2021/22 Target	88.00
<b>2021/22 Actual</b>	<b>87.24</b>

The building condition score is used as a management tool to ensure a common understanding of condition and areas of priority. The model building score reflects the acceptable standard set for Innovation Place. The condition of a variety of elements and systems within an asset are assessed individually, and those ratings are rolled up into a total score reflecting the overall condition of that asset. Assets are assessed every two years.

Fourteen buildings were assessed in 2021/22, reporting an average score of 87.24.

# FINANCIAL

## Comparison of results for the year ended March 31, 2022 to the year ended March 31, 2021 (\$millions)

	2021/22 Actual	2020/21 Actual	Variance
Revenue	\$ 37.2	\$ 37.5	\$ (0.3)
Expenses	(34.5)	(35.3)	0.8
Net Finance Expense	(1.6)	(1.6)	—
Net Income	\$ 1.1	\$ 0.6	\$ 0.5
Total Assets	\$ 189.4	\$ 192.5	\$ 3.1
Total Debt	\$ 53.9	\$ 55.2	\$ (1.3)
Net cash provided by operating activities, excluding working capital adjustments	\$ 11.4	\$ 11.4	—
Total Capital Investment	\$ 4.7	\$ 5.8	\$ (1.1)
Dividends Paid	\$ 1.0	\$ 0.6	0.4
Equity Repayment	\$ 1.0	\$ 1.0	—

Net income for the year ended March 31, 2022 is \$1.1 million, \$0.5 million higher than the net income of \$0.6 million from the prior year. The increase in net income is due to non-recoverable operating costs, a decrease in bad debt expense and savings in salaries due to vacancies. The average monthly vacancy for 2021/22 was 15.2%, up from the prior year's average of 13.8%.

Total expenses decreased by \$0.8 million due to decreases in various recoverable building costs (grants in lieu of property taxes) and savings in salaries due to vacancies.

Total capital investment decreased by \$1.1 million when compared to the prior year. Due to supply chain issues \$0.7 million of current year's capital will carry into the 2022/23 fiscal year.

**Comparison of actual results to the approved budget for the year ended March 31, 2022** (\$millions)

	2021/22 Actual	2021/22 Budget	Variance
Revenue	\$ 37.2	\$ 38.0	\$ (0.8)
Expenses	(34.5)	(36.1)	1.6
Net Finance Expense	(1.6)	(1.8)	0.2
Net Income	\$ 1.1	\$ 0.1	\$ 1.0
Total Assets	\$ 189.4	\$ 190.7	\$ 1.3
Total Debt	\$ 53.8	\$ 55.7	\$ 1.9
Net cash provided by operating activities, excluding working capital adjustments	\$ 11.4	\$ 10.7	\$ (0.7)
Total Capital Investment	\$ 4.7	\$ 6.5	\$ 1.8
Dividends Paid	\$ 1.0	\$ 0.1	\$ 0.9
Equity Repayment	\$ 1.0	\$ 1.0	\$ —

Net income for the year of \$1.1 million was \$1.0 million higher than what was budgeted.

Revenue for the year was \$0.8 million under budget as recovery of occupancy cost revenue was lower due to expenses being under budget and decreased parking revenue due to the pandemic. Actual average vacancy rate for the year was 15.2% (16% for 2021/22 budget).

Total expenses were under budget \$1.6 million for 2021/22. 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 reduced property taxes, following a 2021 reassessment, and reduced janitorial costs, due to underutilized meeting rooms resulting from pandemic restrictions and timing of tenant occupancy.

Total capital expenditures were \$1.8 million under budget for the year. Throughout the fiscal year we continued to struggle with supply chain issues for capital expenditures. Tenant improvements were \$1 million below budget as expenditures are based on both renewal assumptions and new tenants entering the parks. The timing of occupancy and capital work resulted in less actual expenditures being incurred.

# RISK

Innovation Place is in compliance with CIC's Enterprise Risk Management (ERM) 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 and the 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 as follows:

	<b>Risk</b>	<b>Mitigation</b>
<b>Finite Amount of Space</b>	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 with less of a priority and in some cases encouraged to leave the parks.
<b>Loss of Significant Tenants</b>	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. Our innovative approach to certain lease arrangements during the pandemic resulted in the retention of target tech tenants that otherwise may have vacated.
<b>Financial Sustainability</b>	As vacancy levels increase amongst established tenants, along with 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.
<b>Key Employees</b>	Being unable to attract and retain key employees.	We are committed to an effective workforce and have invested in a corporate cultural transformation. We are also committed to leadership and career development of employees for the future success and operational continuity of the parks.

	<b>Risk</b>	<b>Mitigation</b>
<b>Value Awareness</b>	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.	<p>Following a review of our value proposition, we validated our internal product findings through meetings with tenant decision makers and survey data analysis. We continue to communicate to stakeholders what differentiates our product, namely that:</p> <ul style="list-style-type: none"> <li>• Our facilities represent critical infrastructure for technology organizations in Saskatchewan;</li> <li>• Specialized laboratories and greenhouses are not available in the general real estate marketplace; and</li> <li>• Scientific utilities and a high-speed data network are distributed to buildings throughout the parks.</li> </ul>
<b>Infrastructure Sustainability</b>	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.
<b>Technology Clusters</b>	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 and the needs of our tenants, as well as prospecting to priority areas of research and identifying opportunities that build on the strengths of our various partners.
<b>Health and Safety</b>	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.
<b>Information Systems and Data Management</b>	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 / out of our network, and 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 fourth 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.



## WE HELPED OUR TENANTS **CONNECT**

We ticked a big item off our list this year: created the Innovation Place Connect app!

Connect allowed us to streamline our communications with our tenants and improve interactions with our park services and amenities.

The adoption rates exceeded our wildest expectations and we were proud to celebrate this achievement with our park community!

# CORPORATE GOVERNANCE

## BOARD OF DIRECTORS

as at March 31, 2022

### **Victor T. Thomas**

*Chair*

Victor Thomas is President and CEO of the Canada India-Business Council. He has provided advice 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 and District Chamber of Commerce and 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 Chartered Director designation through McMaster University and holds their Human Resources and Compensation Committee designation. Victor has received several acknowledgments 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 and Finance Committee / Vice Chair*

Stephanie Yong is the Director of Government Relations and Partnerships at Saskatoon Regional Economic Development Authority. She also has a consultancy that focuses on utilizing the tools of human-centred design thinking and has also been a lecturer at the University of Saskatchewan Edwards School of Business.

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 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 and 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 how authentic relationships, deliberate investment and focused economic development strategies impact health and well-being in regions, communities and individuals throughout her career. With a passion for Indigenous engagement and community sustainability, Julie Ann has worked across Saskatchewan and beyond connecting and creating resources that contribute to economic strength, prosperity and improved quality of life for future generations.

She works to support Reconciliation in its many forms, from finding common ground that fosters connections and engagements to having courageous conversations that help build awareness and support strategies around Equity, Diversity and Inclusion (EDI). Julie Ann has worn many hats in this space that range from procurement, communications, administration, human resources, governance and executive level leadership. She currently focuses on EDI as a Manager in Nutrien's Potash Supply Chain.

Julie Ann is a graduate of the Institute of Corporate Directors with professional director certification (ICD.D), a designation providing her with a depth of knowledge that supports setting the tone at the top in a good way. She has also been trained in the Lifecycle of Non-Profit Organizations through SaskCulture.

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

## Cherise Arnesen

Cherise Arnesen is a former university instructor who is experienced in business management, bootstrapping entrepreneurship, leadership, business ownership, properties ownership / management and governance. Her governance focus lays in enterprise risk management, including cyber resilience and climate resilience, and in responsible innovation. Throughout her career evolution, Cherise has developed intelligence for intuiting risk and therefore honing strategy.

Viewing organizational oversight through a lens crafted by a varied background of expertise and experience, Cherise brings a necessary diversity of perspective to corporate governance. Cherise enjoyed serving on SOCO's Human Resources and Governance Committee prior to serving on the Audit and Finance Committee. She also serves on the Board of Revision in the City of Prince Albert and on the Executive Committee of the Saskatchewan Chapter of Institute of Corporate Directors. Both practical and creative, she frames perceptions differently which can result in innovative or assertive tactics for organizational gains.

Cherise holds a B.Ed. and B.A. from the University of Saskatchewan, as well as the ICD.D designation from the Institute of Corporate Directors. She is currently pursuing the Risk Management Certificate through Simon Fraser University. Her priority values are integrity, an independent mind, curiosity and a collaborative approach.

## Brenda Nowakowski

Brenda Nowakowski is the President and Owner of Brelin Holdings Ltd., specializing in management consulting and business coaching. Previously, she served in senior roles at JNE Welding Limited Partnership and managed her own consulting company, working with small business accounting systems and controls and information database development.

Brenda is an experienced senior business leader in the manufacturing sector and has served on multiple Boards for organizations such as the NSBA, Huntington Society of Canada and Safety Association of Saskatchewan Manufacturers.

She is committed to supporting Saskatchewan business to promote increased economic development and sustainable economic returns. She is a Certified Professional Accountant (CPA, CMA Saskatchewan) and holds a Professional Director Designation focused on governance.

## Richard Jeanneau

Richard Jeanneau has been a licensed realtor property manager and broker since 1991. He has owned multiple companies, including Lake Property Management, Coldwell Banker Saskatoon and Prince Albert, and JJ Barnicke Saskatoon Commercial Real Estate, and currently has ownership stake in four companies.

Richard has extensive Board experience with local organizations, including the Saskatchewan Real Estate Commission, Saskatchewan Realtors Association, Saskatoon YMCA and Sunnyside Co-op. He currently serves on the Arbitration and Discipline Committee for the Saskatchewan Realtors Association.

## Jerry Katz

Jerry Katz is a retired lawyer with an extensive background in family, corporate and administrative law, real estate, wills and estates. He earned a Bachelor of Laws degree from the University of Saskatchewan, as well as Master of Social Work and Bachelor of Arts and Science degrees from the University of Manitoba.

Jerry has worked with MacDermid Lamarsh Barristers and Solicitors, Robertson Law Group and Burlingham Cuelenaere Law Office, all in Saskatoon. He also served as Crown Solicitor for the Saskatchewan Department of Justice and Counselling Services Coordinator for the Unified Family Court in Saskatoon. Prior to this, he assumed various positions with the Governments of Saskatchewan and Manitoba, as well as youth centres in both provinces.

From 2009 to October 2021, Jerry served as Chairman of the Mental Health Services Act Appeal Panel at the Dube Centre for Mental Health in Saskatoon. He is a member of the Law Society of Saskatchewan and a former member of the Law Society of Alberta, Saskatchewan Association of Social Workers Board of Examiners and MS Society of Saskatchewan. Jerry is also an advocate of the B'nai Brith organization and their support of youth, multi-cultural and mental health programs.

## Terry Ross

*Corporate Secretary to the Board of Directors*

We would like to thank the previous members of the Board of Directors whose appointments ended in 2021/22 for their dedication to the Corporation.

- Rachel Martinuik (May 27, 2015 – May 31, 2021)
- Ayten Archer (November 22, 2018 – May 31, 2021)
- Neal Krawchuk (November 22, 2018 – November 29, 2021)



## CORPORATE OFFICERS

as at March 31, 2022

### **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.

**Debbie Haluik***Acting Vice President of Client Relations*

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 University of Saskatchewan 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*

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, including 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.

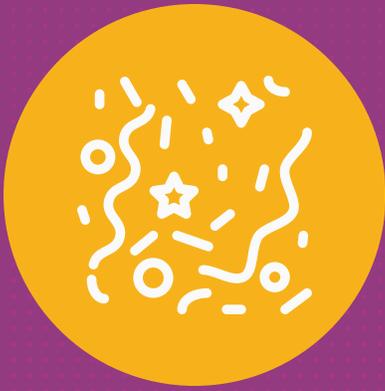
**AUTHORITY**

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.



## WE NEVER FORGOT OUR **SOCIAL SIDE**

All work and no play makes innovation a hard feat! When things got safer, we focused on creating a fun, exciting and safe environment for our tenants to return to!

**The Mix** allowed tenants to kick back and relax outside at Boffins Event Centre, get to know one another and make new connections

**Welcome Week** officially celebrated the resiliency of our tenants with events like tacos & trivia, coffee tasting, park tours and an all-out feast BBQ!

The return to work guide, **We're Ready When You're Ready**, kept tenants up to date with newly launched services and parks upgrades, like new air filters and video conferencing systems, tips for adapting to the new normal, and new initiatives like our walk-in vaccine clinics



## 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.

## 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  
Brenda Nowakowski  
Cherise Arnesen  
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  
Julie Ann Wriston  
Richard Jeanneau  
Jerry Katz  
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](http://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, 2022, the SOCO Board was composed of four women out of a total of eight members (50%).

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 that supports 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](http://www.cicorp.sk.ca)

## BOARD OF DIRECTORS MEETINGS

There were four Board meetings held in 2021/22. Documentation and information for discussion and decisions at the meetings are provided by Management to the Board at least seven days in advance of each meeting.

### Attendance

Director	Board of Directors Meeting Dates			
	May 26, 2021	August 25, 2021	November 23, 2021	February 23, 2022
Victor Thomas, Chair	●	●	●	●
Stephanie Yong, Vice Chair	●	●	●	●
John Schmeiser	●	●	●	✘
Rachel Martinuik	●	—	—	—
Julie Ann Wriston	●	●	●	✘
Ayten Archer	●	—	—	—
Cherise Arnesen	●	●	●	●
Neal Krawchuk	●	✘	●	—
Brenda Nowakowski	—	●	●	●
Richard Jeanneau	—	●	●	●
Jerry Katz	—	—	—	●

● in attendance ✘ not in attendance — not on the Board at that time

## BOARD OF DIRECTORS TENURE AND REMUNERATION

Director	Position	Tenure	Remuneration paid for the 12-month period ended March 31, 2022
Victor Thomas	Chair	April 1, 2021 — March 31, 2022	22,925.00
Stephanie Yong	AFC Chair	April 1, 2021 — March 31, 2022	18,875.00
John Schmeiser	HRGC Chair	April 1, 2021 — March 31, 2022	16,975.00
Rachel Martinuik	Member	April 1, 2021 — May 31, 2021	2,632.69
Julie Ann Wriston	Member	April 1, 2021 — March 31, 2022	15,625.00
Ayten Archer	Member	April 1, 2021 — May 31, 2021	2,957.69
Cherise Arnesen	Member	April 1, 2021 — March 31, 2022	15,950.00
Neal Krawchuk	Member	April 1, 2021 — November 29, 2021	10,257.61
Brenda Nowakowski	Member	May 31, 2021 — March 31, 2022	13,317.31
Richard Jeanneau	Member	May 31, 2021 — March 31, 2022	12,342.31
Jerry Katz	Member	November 29, 2021 — March 31, 2022	4,717.39

Total: \$ 136,575.00

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.

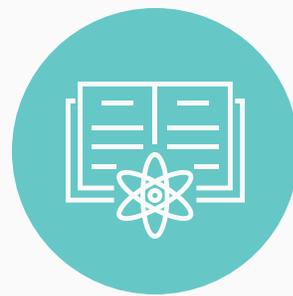
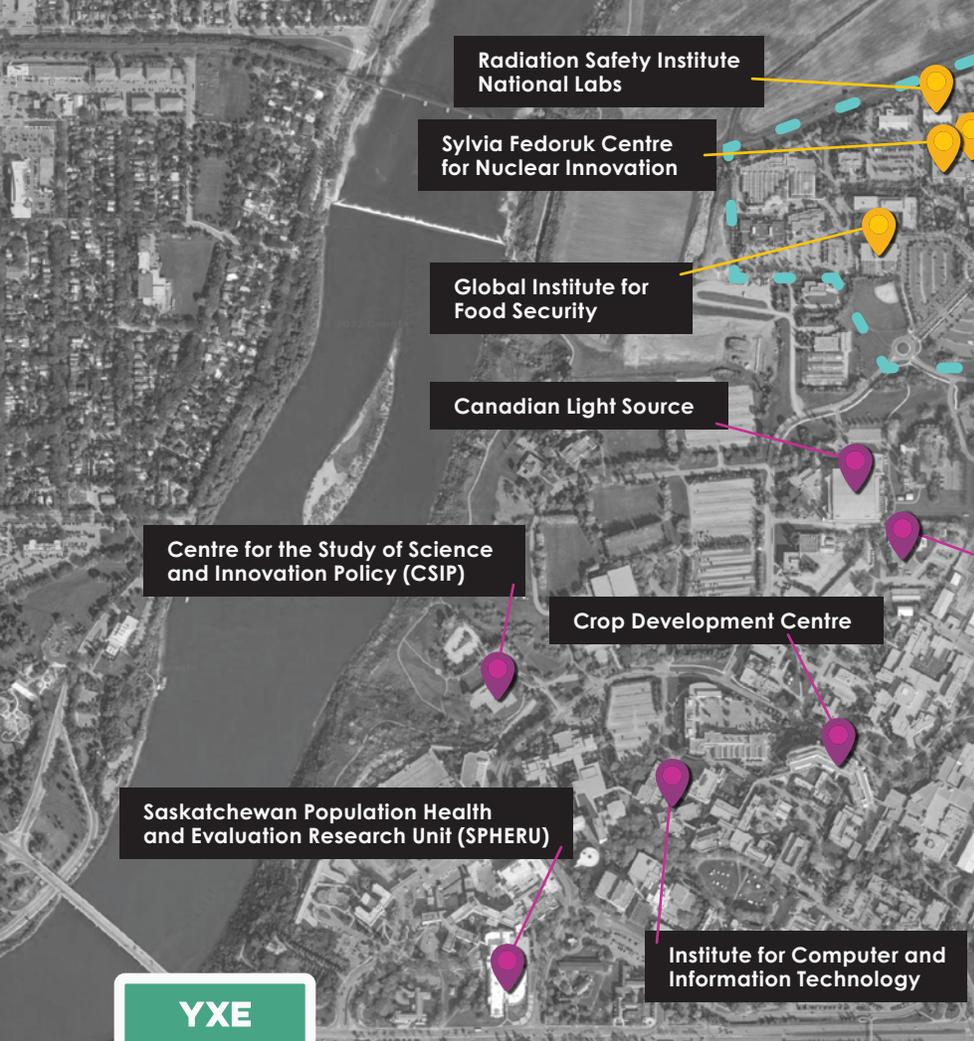
The Crown sector is committed to a "total compensation" perspective, which includes a base salary, benefits, pension and a salary holdback program. The salary holdback payments are based on a combination of corporate and personal objectives that are aligned with SOCO's Strategic Plan. The corporate objectives 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 twelve-month period ended March 31, 2022, the total compensation paid to the Corporate Officers was \$872,708.

## 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.

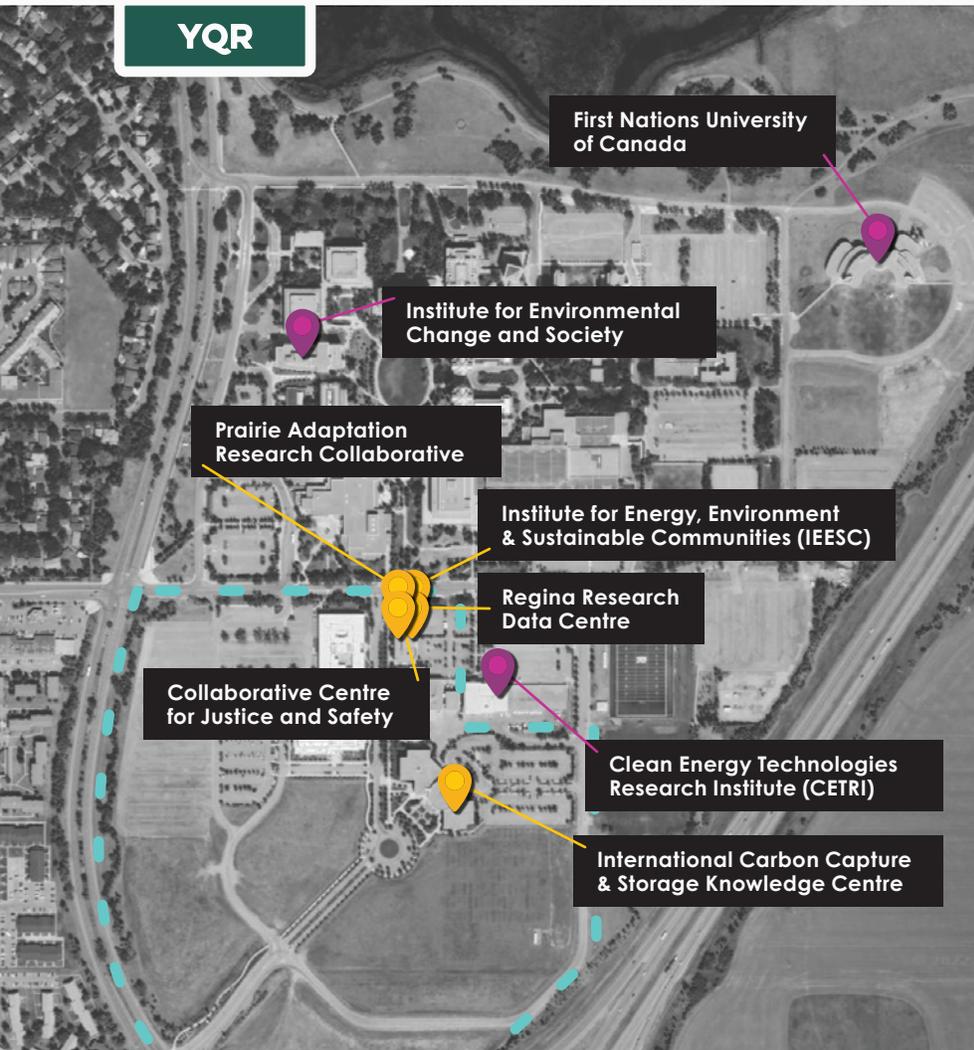


## OUR PARKS PROVIDE ACCESS TO THE ECOSYSTEM

Fostering partnerships with research institutes and relevant organizations strengthens the entire technology ecosystem.

**We are home to 12 research institutes in the Saskatoon and Regina parks, with an additional 10 located in close proximity to the parks.**

Research institutes support the growth of private technology companies by creating collaboration opportunities, leveraging resources and increasing community awareness.



# 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, 2022. 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, 2022;
- 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, 2022 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 financial statements of Saskatchewan Opportunities Corporation ("SOCO"), which comprise the statement of financial position as at March 31, 2022, 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 the SOCO as at March 31, 2022, and the results of its operations 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 Financial Statements section of our report. We are independent of the 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.

## Emphasis of Matter – Subsequent Event

We draw attention to Note 23 of the financial statements, which describes the alignment of SOCO and Innovation Saskatchewan into a single agency effective April 1, 2022. Our opinion is not modified in respect of this matter.

## Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian 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 the 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 the 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 the 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.

The logo for MNP LLP is written in a stylized, handwritten font. The letters 'MNP' are larger and more prominent, with 'LLP' in a smaller font size to the right.

Chartered Professional Accountants

May 25, 2022

Regina, Saskatchewan

# FINANCIAL REPORT

# STATEMENT OF INCOME AND COMPREHENSIVE INCOME

(in thousands \$)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
<b>Revenue</b>			
Rental		\$ 35,695	\$ 35,985
Other		1,497	1,517
		37,192	37,502
<b>Expenses</b>			
Administration		3,708	4,071
Rental operations		30,835	31,260
	16	34,543	35,331
<b>Results before the following</b>			
		2,649	2,171
Finance income	4	189	225
Finance expenses	4	(1,777)	(1,777)
<b>Net finance expense</b>		(1,588)	(1,552)
<b>Net income</b>			
		1,061	619
<b>Other comprehensive income</b>			
Items that are or may be reclassified to net income			
Debt retirement fund - market value adjustment	9	(276)	(159)
<b>Total other comprehensive income</b>		(276)	(159)
<b>Total comprehensive income</b>			
		\$ 785	\$ 460

(see accompanying notes)

On behalf of the Board,



**VICTOR T. THOMAS**  
Board Chair



**STEPHANIE YONG**  
Chair, Audit and Finance Committee

# STATEMENT OF FINANCIAL POSITION

(in thousands \$)

	Note	As at March 31, 2022	As at March 31, 2021
<b>Assets</b>			
Current			
Cash and cash equivalents	5	\$ 16,812	\$ 17,078
Trade and other receivables	6	1,886	668
Inventory		31	33
Prepaid expenses		532	520
		19,261	18,299
Property, plant and equipment	7	948	962
Right-of-use assets	13	566	982
Investment property	8	162,502	166,126
Debt retirement fund	9	5,317	5,134
Other assets	10	758	995
		\$ 189,352	\$ 192,498
<b>Liabilities and Province's Equity</b>			
Current			
Trade and other payables	11	\$ 4,183	\$ 5,291
Dividends payable		471	101
Notes payable	12	17,240	18,550
Lease liabilities	13	304	410
Deferred revenue		2,261	1,772
		24,459	26,124
Lease liabilities	13	261	572
Long-term debt	14	36,684	36,684
		61,404	63,380
<b>Province of Saskatchewan's Equity</b>			
Retained earnings		34,730	34,624
Accumulated other comprehensive income		(282)	(6)
Equity advances	15	93,500	94,500
		127,948	129,118
		\$ 189,352	\$ 192,498

(see accompanying notes)

# STATEMENT OF CHANGES IN EQUITY

(in thousands \$)

	Note	Equity advances	Accumulated other comprehensive (loss) income	Retained earnings	Total equity
<b>Balance at March 31, 2020</b>		\$ 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)
<b>Balance at March 31, 2021</b>		94,500	(6)	34,624	129,118
Net income		—	—	1,061	1,061
Other comprehensive income		—	(276)	—	(276)
Dividends		—	—	(955)	(955)
Equity repayment	15	(1,000)	—	—	(1,000)
<b>Balance at March 31, 2022</b>		\$ 93,500	\$ (282)	\$ 34,730	\$ 127,948

(see accompanying notes)

# STATEMENT OF CASH FLOWS

(in thousands \$)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
<b>Operating Activities</b>			
Net income		\$ 1,061	\$ 619
Non-cash adjustments:			
Depreciation of property, plant and equipment	7	250	245
Depreciation of right-of-use assets	13	383	414
Depreciation of investment property	8	8,138	8,640
Impairment loss on investment property			(34)
Finance income	4	(189)	(225)
Finance expense	4	1,777	1,777
		11,420	11,436
Working capital adjustments:			
Trade and other receivables		(1,218)	433
Inventory		2	20
Prepaid expenses		(12)	(154)
Trade and other payables, excluding interest		(1,108)	1,064
Deferred revenue		489	(179)
Cash provided by operating activities		9,573	12,620
<b>Investing Activities</b>			
Purchase of property, plant and equipment	7	(236)	(282)
Purchase of investment property	8	(4,514)	(5,493)
Interest received		97	101
Change in other assets		236	(15)
Cash used in investing activities		(4,417)	(5,689)
<b>Financing Activities</b>			
Debt retirement fund installments	9	(367)	(367)
Repayment of notes payable	12	(1,310)	(1,089)
Payment of lease liabilities	13	(382)	(424)
Interest paid		(1,777)	(1,769)
Dividends paid		(586)	(1,450)
Equity repayment	15	(1,000)	(1,000)
Cash used in financing activities		(5,422)	(6,099)
<b>Net change in cash and cash equivalents</b>		(266)	832
Cash and cash equivalents, beginning of year		17,078	16,246
<b>Cash and cash equivalents, end of year</b>		\$ 16,812	\$ 17,078

(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 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.

### **Impact of COVID-19**

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.

## 2 Basis of Preparation

### **a) Statement of compliance**

The 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 financial statements for issue on May 25, 2022.

### **b) Basis of measurement**

These 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 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, decommissioning liability, 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 financial statements include the accounting for special purpose entities and the determination of cash generating units.

**3 Significant Accounting Policies****a) 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.

**b) 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.

**c) Property, plant and equipment**

Property, plant and equipment are recorded at cost less accumulated depreciation 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 depreciation are eliminated from the accounts. Any resulting gains or losses are reflected in profit or loss.

**d) 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.

**e) 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.

**f) Depreciation**

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

The useful life and depreciation 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

#### **g) 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 depreciation, if no impairment loss had been recognized.

#### **h) 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.

#### **i) 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.

**j) 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 statement of financial position. Financial assets and liabilities are offset and the net amount reported on the 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 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 statement of income and comprehensive income.

**k) 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.

**l) 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.

**m) 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:

	2022	2021
Interest earned on bank balances	\$ 97	\$ 101
Interest income on trade and other receivables	—	—
Interest earned on debt retirement fund	92	124
	<b>\$ 189</b>	<b>\$ 225</b>

Finance expense consists of the following:

	2022	2021
Interest on long-term debt	\$ 1,735	1,735
Interest on notes payable	38	37
Interest on lease liabilities	4	5
	<b>\$ 1,777</b>	<b>1,777</b>

## 5 Cash and Cash Equivalents

	As at March 31, 2022	As at March 31, 2021
Cash in bank and on hand	\$ 16,812	\$ 17,078

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, 2022	As at March 31, 2021
Trade receivables, net of allowance	\$ 1,499	\$ 198
Accrued receivables	363	420
Work in progress	22	39
Other	2	11
	<b>\$ 1,886</b>	<b>\$ 668</b>

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

## 7 Property, Plant and Equipment

	Administration	Furniture and Equipment	Work in Progress	Total
<b>COST</b>				
<b>Balance at March 31, 2020</b>	\$ 2,097	\$ 4,483	\$ —	\$ 6,580
Transfer from investment property	—	121	—	121
Additions	90	192	—	282
Disposals	—	—	—	—
<b>Balance at March 31, 2021</b>	2,187	4,796	—	6,983
Additions	166	23	47	236
Disposals	—	(17)	—	(17)
<b>Balance at March 31, 2022</b>	2,353	4,802	47	7,202
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b>				
<b>Balance at March 31, 2020</b>	1,938	3,717	—	5,655
Transfer from investment property	—	121	—	121
Depreciation	60	185	—	245
Disposals	—	—	—	—
<b>Balance at March 31, 2021</b>	1,998	4,023	—	6,021
Depreciation	71	179	—	250
Disposals	—	(17)	—	(17)
<b>Balance at March 31, 2022</b>	2,069	4,185	—	6,254
<b>CARRYING AMOUNTS</b>				
Balance at March 31, 2021	\$ 189	\$ 773	\$ —	\$ 962
Balance at March 31, 2022	\$ 284	\$ 617	\$ 47	\$ 948

## 8 Investment Property

	Buildings	Land and Infrastructure	Leasehold Improvements	Construction in Progress	Total
<b>COST</b>					
<b>Balance at March 31, 2020</b>	\$ 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
<b>Balance at March 31, 2021</b>	197,233	64,200	37,128	3,073	301,634
Additions	1,345	36	633	2,500	4,514
Disposals	—	—	—	—	—
<b>Balance at March 31, 2022</b>	198,578	64,236	37,761	5,573	306,148
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b>					
<b>Balance at March 31, 2020</b>	84,707	26,594	14,997	725	127,023
Transfer to property, plant & equipment	(121)	—	—	—	(121)
Depreciation	5,056	1,751	1,833	—	8,640
Impairment Loss	—	—	—	(34)	(34)
<b>Balance at March 31, 2021</b>	89,642	28,345	16,830	691	135,508
Depreciation	4,630	1,701	1,807	—	8,138
Impairment Loss	—	—	—	—	—
<b>Balance at March 31, 2022</b>	94,272	30,046	18,637	691	143,646
<b>CARRYING AMOUNTS</b>					
Balance at March 31, 2021	\$ 107,591	\$ 35,855	\$ 20,298	\$ 2,382	\$ 166,126
Balance at March 31, 2022	\$ 104,306	\$ 34,190	\$ 19,124	\$ 4,882	\$ 162,502

The estimated market value of investment property at March 31, 2022 is \$244,310 (2021 – \$262,000). 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% (2021 – 6.25% – 10.00%) applied based on property type and market characteristics. This resulted in an overall weighted average capitalization rate of 7.8% (2021 – 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

<b>Balance at March 31, 2020</b>	\$ 4,802
Installments	367
Earnings	124
Valuation adjustment	(159)
<b>Balance at March 31, 2021</b>	5,134
Installments	367
Earnings	92
Valuation adjustment	(276)
<b>Balance at March 31, 2022</b>	\$ 5,317

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:

2022/23	\$ 367
2023/24	367
2024/25	367
2025/26	367
2026/27	367

## 10 Other Assets

	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Deferred rent receivable	\$ 594	\$ 772
Leasing costs	164	223
	\$ 758	\$ 995

## 11 Trade and Other Payables

	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Trade payables	\$ 793	\$ 834
Interest payable	485	502
Accrued liabilities and other	2,905	3,955
	\$ 4,183	\$ 5,291

## 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 0.276% (2020/21 – 0.162%).

## 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 \$382 (with allocation between principal repayment of \$378 and interest payment of \$4).

### Right-of-Use Assets

	Administration	Furniture and Equipment	Total
<b>COST</b>			
<b>Balance at March 31, 2020</b>	\$ 619	\$ 1,338	\$ 1,957
Transfer	1,262	(1,262)	
Additions	40	—	40
Disposals	—	—	—
<b>Balance at March 31, 2021</b>	1,921	76	1,997
Additions	9	—	9
Disposals	(196)	(41)	(237)
<b>Balance at March 31, 2022</b>	1,734	35	1,769
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b>			
<b>Balance at March 31, 2020</b>	270	331	601
Transfer	297	(297)	—
Depreciation	401	13	414
Disposals	—	—	—
<b>Balance at March 31, 2021</b>	965	50	1,015
Depreciation	377	5	382
Disposals	(175)	(20)	(195)
<b>Balance at March 31, 2022</b>	1,168	35	1,203
<b>CARRYING AMOUNTS</b>			
Balance at March 31, 2021	\$ 956	\$ 26	\$ 982
Balance at March 31, 2022	\$ 566	\$ —	\$ 566

## Lease Liabilities

	<b>As at March 31, 2022</b>
Total future minimum lease payments	\$ 568
Less: future finance charges on leases	(3)
Present value of lease liabilities	565
Less: current portion of lease liabilities	(304)
Lease liabilities	<b>\$ 261</b>

At March 31, 2022, scheduled future minimum lease payments and the present value of the lease liabilities are:

	<b>Within one year</b>	<b>After one year to five years</b>	<b>More than five years</b>
Future minimum lease payments	\$ 306	\$ 262	\$ —
Present value of finance lease obligation	\$ 304	\$ 261	\$ —

## 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 statement of income and comprehensive income.

The future minimum lease payments under non-cancellable operating leases, at March 31, 2022 are:

	<b>Within one year</b>	<b>After one year to five years</b>	<b>More than five years</b>
Future minimum lease payments	\$ 15,009	\$ 30,386	\$ 237

## 14 Long-Term Debt

	As at March 31, 2022	As at March 31, 2021
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, 2022
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 (2020/21 – \$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:

	2022	2021
Employee salaries and benefits	\$ 8,974	\$ 9,248
Depreciation	8,772	9,300
Utilities	5,542	5,157
Grants in lieu of property taxes	4,385	4,950
Other	6,870	6,676
	<u>\$ 34,543</u>	<u>\$ 35,331</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 (2020/21 – \$170 million) of debt outstanding at any time. In addition, by Order-in-Council, the Corporation may only have \$50 million (2020/21 – \$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, 2022	As at March 31, 2021
Long-term debt	\$ 36,684	\$ 36,684
Notes payable	17,240	18,550
Cash available to repay debt*	(19,129)	(19,212)
Total net debt	34,795	36,022
Retained earnings	34,730	34,624
Accumulated other comprehensive income	(282)	(6)
Equity advances	93,500	94,500
Total equity	\$ 127,948	\$ 129,118
Debt ratio	21.38%	21.81%

\* 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, 2022.

## 18 Commitments

The Corporation has several capital projects under construction. The estimated cost to complete projects under construction is approximately \$865.

## 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 \$532 (2020/21 – \$538) into this plan.

## 20 Financial Instruments

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

	Classification	March 31, 2022		March 31, 2021	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>					
Cash and cash equivalents	FVTPL	\$ 16,812	\$ 16,812	\$ 17,078	\$ 17,078
Trade and other receivables	AC	1,886	1,886	668	668
Debt retirement fund	FVOCI	5,317	5,317	5,134	5,134
<b>Financial liabilities</b>					
Trade and other payables	OL	\$ (4,183)	\$ (4,183)	\$ (5,291)	\$ (5,291)
Notes payable	OL	(17,240)	(17,240)	(18,550)	(18,550)
Dividends payable	OL	(471)	(471)	(101)	(101)
Lease liabilities	OL	(566)	(647)	(982)	(1,051)
Long-term debt	OL	(36,684)	(43,278)	(36,684)	(46,797)

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 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, 2022	As at March 31, 2021
Current	\$ 643	\$ 596
31– 60 days	143	47
61 – 90 days	109	(1)
Over 90 days	1,096	460
	1,991	1,102
Allowance	(105)	(434)
Trade and other receivables	\$ 1,886	\$ 668

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, 2022	As at March 31, 2021
Allowance for doubtful accounts, beginning of year	\$ 434	\$ 385
Provision	20	—
Write-offs, net of recoveries	(349)	49
Allowance for doubtful accounts, end of year	\$ 105	\$ 434

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, 2022, 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 \$17,240 of outstanding short term debt instruments at March 31, 2022 (2021 – \$18,550).

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, 2022:

	<b>6 Months or Less</b>	<b>7 to 12 Months</b>	<b>1 to 2 Years</b>	<b>3 to 5 Years</b>	<b>More than 5 Years</b>
Trade and other payables	\$ 4,183	\$ —	\$ —	\$ —	\$ —
Notes payable	17,240	—	—	—	—
Dividends payable	471	—	—	—	—
Lease liabilities	152	151	261	—	—
Long-term debt*	870	870	3,479	5,219	57,936
	<b>\$ 22,916</b>	<b>\$ 1,021</b>	<b>\$ 3,740</b>	<b>\$ 5,219</b>	<b>\$ 57,936</b>

\* 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, 2022 would not have a material impact on other comprehensive income.

## 22 Related Party Transactions

Included in these 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, 2022 was \$14,412 (2021 – \$16,536).

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, 2022	March 31, 2021
Salaries, wages and short-term employee benefits	\$ 1,210	\$ 1,439
Post-employment benefits	61	77
	\$ 1,271	\$ 1,516

## 23 Subsequent Events

On March 23, 2022, the Government of Saskatchewan announced as part of the Provincial Budget the creation of a single innovation agency in the province by moving the Saskatchewan Opportunities Corporation under the authority of Innovation Saskatchewan. The alignment of SOCO and Innovation Saskatchewan into a single agency strengthens the province's reputation, mandate and programs, and helps maximize the economic potential of its research infrastructure assets. The change is effective April 1, 2022.





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