

Annual Report

2023-24

Innovation Saskatchewan

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Saskatchewan 

Letters of Transmittal



The Honourable Jeremy Harrison
Minister Responsible for
Innovation Saskatchewan

Office of the Lieutenant Governor of Saskatchewan

I respectfully submit the Annual Report for Innovation Saskatchewan for the fiscal year ending March 31, 2024.

The province’s research and technology sectors remain integral to Saskatchewan’s future economic success. Through its programs, policies and partnership, Innovation Saskatchewan provides essential support to these areas.

In 2023-24, the agency continued to help Saskatchewan’s innovation sectors through operation of its two research and technology parks, programing support, and funding provided to key research institutes in our province.

In this report, you will read the 2023-24 highlights from the six organizations Innovation Saskatchewan funds to further advance research and technology development in academia and industry in alignment with provincial priorities, how the Innovation and Science Fund continues to play a role with the post-secondary institutes on ground-breaking research, how the Saskatchewan Advantage Innovation Fund and the Agtech Growth Fund continue to support research and development in each of the province’s core sectors, and how the research and technology parks in Regina and Saskatoon are being leveraged to support and advance the technology sector.

Innovation Saskatchewan also continues to advance the technology sector through programs including the Saskatchewan Technology Startup Incentive and the Made in Saskatchewan Technology Program. It also works with industry partners and post-secondary institutes to understand stakeholder needs and ensure the sustained growth of the sector.

Innovation Saskatchewan responsibly manages expenditures while ensuring it is accountable and responsive to the citizens it serves.

A handwritten signature in black ink, appearing to read "Jeremy H.", written in a cursive style.

Honourable Jeremy Harrison
Minister Responsible for Innovation



Kari Harvey
CEO of Innovation
Saskatchewan

The Honourable Jeremy Harrison
Minister Responsible for Innovation

Dear Minister:

I have the honour of submitting the Annual Report of Innovation Saskatchewan for the fiscal year ending March 31, 2024. This report has been prepared and carefully reviewed under my direction, and accurately represents the activities and accomplishments of our agency during the past year.

A handwritten signature in black ink, appearing to read 'Kari Harvey', written in a cursive style.

Kari Harvey
CEO of Innovation Saskatchewan

Organization Overview

This annual report for Innovation Saskatchewan presents the agency's results for the fiscal year ending March 31, 2024. It demonstrates the agency's commitment to effective public performance reporting, transparency, and accountability.

Innovation Saskatchewan is the central agency of the Government of Saskatchewan with responsibility for implementing Saskatchewan's innovation priorities. Innovation Saskatchewan coordinates the strategic direction of the government's research and development and science and technology expenditures; provides advice on science and technology policy; coordinates the establishment and maintenance of science, research and development infrastructure; and provides advice and recommendations on research, development, demonstration, and the commercialization of new technologies and innovative processes in Saskatchewan.

Saskatchewan's Growth Plan: The Next Decade of Growth recognizes the impact innovation will have on the province's economic future. While Innovation Saskatchewan's mandate supports various goals, the most direct is the pivotal role the agency has in achieving the province's goal of tripling the growth of Saskatchewan's technology sector by 2030.

Innovation Saskatchewan has several tools at its disposal to fulfill this role:

- Funding
- Programs and Investments
- Research and Technology Parks
- Strategic Relationships
- Marketing and Communications

Innovation Saskatchewan's full-time equivalent utilization of 101.05 includes employees located at offices in its research and technology parks in Regina and Saskatoon. The parks include 26 buildings (1.80 million square feet) and are home to 154 tenants employing approximately 4,000 people.

Mission Statement

Supporting Saskatchewan's research community and technology sector to create economic growth and diversity.

Vision

Saskatchewan will be among the leading jurisdictions in its capacity and ability to innovate.

Legislation

Innovation Saskatchewan is responsible for *The Innovation Saskatchewan Amendment Act, 2022* and *The Saskatchewan Technology Start-up Incentive Act*.

Board of Directors

The Board of Director's primary responsibility is to oversee the purpose, plans and policies of Innovation Saskatchewan. Members of the Innovation Saskatchewan Board of Directors as at March 31, 2024, were:

Honourable Jeremy Harrison (Chair)
*Minister Responsible for Innovation
Saskatchewan*

Honourable Gordon Wyant, K.C.
Beginning February 14, 2024
Minister of Advanced Education

Honourable Joe Hargrave
Beginning August 29, 2023
Minister of SaskBuilds and Procurement

Ms. Alana Ross
*Member of the Legislative Assembly for
Prince Albert Northcote*

We would like to thank the previous members of the Board of Directors whose appointments ended in 2023-24 for their dedication to the agency.

Honourable Lori Carr
May 31, 2022 to August 29, 2023
Minister of Highways

Management Advisory Committees

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 the research and technology parks.

The members of the Saskatoon committee as at March 31, 2024, were:

Dr. Terry Fonstad
*Associate Vice President, Research
University of Saskatchewan*

Ms. Erin Lawson
*CEO
Saskatoon Regional Economic
Development Authority*

Mr. Greg Fowler
*Vice President, Administration & Chief
Operating Officer
University of Saskatchewan*

Mr. Drew Bell
*Director, Information Technology
City of Saskatoon*

Ms. Alix Hayden
*Director, Innovation Mobilization and
Partnerships
University of Saskatchewan*

Mr. Jesse Merilees
*Vice President, Environment and Biotech
Division
Saskatchewan Research Council*

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

The members of the Regina committee as at March 31, 2024, were:

Dr. Andrea Sterzuk
Associate Vice President, Research
University of Regina

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

Mr. Gregory Mack
Director, Office of Research Partnerships &
Innovation, Office of Research Services
University of Regina

Mr. Chris Lane
President & CEO
Economic Development Regina

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

Mr. Jim Nicol
City Clerk
City of Regina

Mr. Wayne Goranson
Managing Director
Kvale Informatics Consulting Ltd.

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

Progress on Goal 1: Ensure IS-funded institutes and research are creating economic impact and aligned with Saskatchewan's research and development priorities.

Industry and academic research is supported through funding, infrastructure development, and board directorships to ensure it aligns with provincial priorities, brings more researchers to the province, is industry-driven, and provides a foundation for commercialization. These activities support the provincial economy and advancement of provincial goals such as: tripling growth in the tech sector, developing sustainable technology, and growing the agricultural and oil, gas and natural resource economies.

Strategy: *The approach we will take to achieve our goal*

Support the commercialization of innovative new research and technologies by developing and continued partnerships with the six funded research institutes.

- The Canadian Light Source (CLS)
- Vaccine and Infectious Disease Organization (VIDO)
- Saskatchewan Health Research Foundation (SHRF)
- International Minerals Innovation Institute (IMII)
- Petroleum Technology Research Centre (PTRC)
- The Sylvia Fedoruk Canadian Centre for Nuclear Innovation (Fedoruk Centre)

KeyActions: *What we will do to get there*

- Provide support to the six key research and/or industry specific organizations through continued funding and participation on the organizations' Boards of Directors.
 - Innovation Saskatchewan continued to provide provincial funding to the six organizations that play an important role in advancing research and technological development in both academia and industry. Innovation Saskatchewan also continued to promote the achievements of these organizations provincially, nationally and internationally.
 - CLS, Canada's only synchrotron, continues to play an important role in advancing research projects that align with provincial priorities in the areas of health, agriculture, environment and advanced materials.
 - Innovation Saskatchewan's contributions account for 10 per cent of CLS's operating funding with the remaining funding coming from the University of Saskatchewan, federal and industry sources.
 - In alignment with provincial priorities, CLS continues to focus on projects within Saskatchewan's key economic sectors (environmental sciences 18%; health sciences 11%; agriculture 10%).

- An example includes the CLS has supported researchers from the University of Saskatchewan and the Canadian Nuclear Laboratories on a project around advanced nuclear fuels for small modular reactors. This project looks to identify the optimal fuel composition for enhanced reactor performance.
 - VIDO, Canada's Centre for Pandemic Research, is a world leader in infectious disease research and vaccine development for humans and animals.
 - The Government of Saskatchewan, through Innovation Saskatchewan, has provided VIDO with additional funding to support the expansion of its facilities and the establishment of Canada's Centre for Pandemic Research. Work on this expansion continues to progress.
 - VIDO has developed two different vaccines COVAC-1 and COVAC-2 to address future coronaviruses. Clinical studies advanced on both vaccines during 2023-24 with reports expected in mid- to late-2024.
 - On September 26, 2023, VIDO signed an agreement to join Coalition for Epidemic Preparedness Innovations (CEPI)'s pre-clinical research network, currently the only Canadian organization to do so. Through this formal partnership, VIDO will help CEPI in its goal of accelerating vaccine development and other countermeasures to epidemic and pandemic threats.
 - On June 20, 2023, VIDO received approvals from the Canadian Food Inspection Agency in Ottawa. As a result, VIDO will be able to import materials and develop three new products completely at their own vaccine manufacturing facility.
 - SHRF provides funding for high-impact and peer-reviewed health research that is relevant to the province.
 - 2023 marked SHRF's 20th year of existence and operation in Saskatchewan. Over this period, SHRF has funded a total of 1,381 projects which have injected over \$92 million of direct investment into the health research ecosystem in the province as well as over \$522 million through secondary sources via Saskatchewan researchers applying to national funding competitions.
 - SHRF has invested nearly \$40,000 in 2023-24 through its Mobilize Grant: Truth and Action toward a variety of projects working to improve the health of Indigenous people.
 - Dr. Daniel Fuller, associate professor at the University of Saskatchewan, is using the 2023-24 Align Grant to measure the effective usage of commercially available wearable health devices on the physical wellbeing of Canadian youth.
 - Dr. Ivar Mendez and his team from the College of Medicine at the University of Saskatchewan received SHRF's Excellence Award for their research efforts involving telerobotic ultrasonography systems.

- Dr. Stacy Lovo and Dr. Gary Linassi from the College of Medicine also received an Excellence Award for their research in virtual care strategies for neuropathic treatment in Indigenous communities.
 - IMII provides funding for both R&D projects as well as education and training (E&T) programs designed to support the mining labour market, including a focus on increasing the level of participation by women and Indigenous workers.
 - IMII invited six innovative solutions providers to pitch their technologies at the 5th annual DEMOday, which was held in association with the Saskatchewan Industrial and Mining Suppliers Association's annual Saskatchewan Mining Supply Chain Forum.
 - Extract Energy, which is developing technologies to harvest low-grade heat from industrial application and was one of the companies who pitched at DEMOday 2023, won the Innovation Award for 2023.
 - IMII's iMpowered scholarships, which specifically targets women and Indigenous students enrolled in STEM programs with mining careers in mind, provided another ten scholarships totalling \$125,000 in 2023.
 - IMII initiated a study to assess the feasibility of carbon capture, utilization and sequestration (CCUS) hubs to mitigate greenhouse gas emissions from major mining operations in Saskatchewan.
 - IMII provided \$102,000 to build a virtual mine lab for the Mining Engineering Technology program at Saskatchewan Polytechnic and \$11,000 to fund the purchase of virtual reality equipment for Morris Interactive's Indigenous Pre-employment program.
 - PTRC serves an important role in the development of enhanced oil recovery (EOR) technologies critical to maintaining and expanding Saskatchewan's petroleum production in ways that lower energy usage and reduce emissions.
 - PTRC continues to play a key role in the management and operation of the Aquistore CO2 storage facility tied to SaskPower's Boundary Dam 3 CO2 capture facility. As of December 2023, the Aquistore has injected over 589,000 tonnes of CO2 deep underground to be stored permanently.
 - PTRC also continues to manage the Heavy Oil Research Network (HORNET), which funds industry-driven projects to develop new EOR technologies to increase oil production in a sustainable way. In 2023-24, over \$1.2M in funding was provided to nine new research projects. These projects in turn leveraged an additional \$1.3M from other sources such as Mitacs.
 - In February 2024, PTRC and Mitacs announced a four-year collaborative funding program to develop and retain highly qualified personnel in clean energy research and development at the University of Regina.

- In March 2024, the City of Regina announced a new indoor aquatics facility heated by geothermal energy. The research done by PTRC and the University of Regina was critical to enabling the facility to utilize geothermal heat and help the city get closer to net-zero emissions.
 - The Fedoruk Centre supports nuclear research and training in the areas of nuclear medicine, materials research, agri-biotechnologies, nuclear energy and environmental stewardship.
 - The Fedoruk Centre continues to operate the Saskatchewan Centre for Cyclotron Sciences (SCCS) and provide state-of-the-art radiopharmaceuticals to the Royal University Hospital for the clinical treatment of people in Saskatchewan. In the fiscal year ending March 2023, PET-CT scans for clinical diagnoses of 3,240 cancer patients resulted from this partnership, a 20 per cent increase from the previous year (2,691 patient scans completed).
 - In July 2023, the SCCS announced an agreement with the Canadian Nuclear Laboratories (CNL) for production of the isotope Actinium 225, addressing a global demand the isotope which is used in emerging cancer therapeutics.
 - The Fedoruk Centre and University of Saskatchewan hosted the 11th annual International Conference on Isotopes in Saskatoon in July 2023. The conference had over 300 participants from 30 countries in attendance.
 - Most of these organizations are also tenants at Innovation Saskatchewan's research and technology parks in Regina or Saskatoon and benefit from the collaborative environment and amenities present at the parks.

Strategy: *The approach we will take to achieve our goal*

Match federal funding, encourage industry engagement, foster collaboration and promote industry-driven research and development (R&D) projects. Support R&D to ensure sustainable economic growth and provide direct funding through programs such as the Innovation and Science Fund (ISF) and the Saskatchewan Advantage Innovation Fund (SAIF).

KeyActions: *What we will do to get there*

- Support academic research and commercialization of innovative new research and technologies by providing matching federal funding through ISF for projects proposed by Saskatchewan universities, colleges and research institutes to attract and retain highly qualified personnel in the province.
 - Projects receiving funding in 2023-24 were in the areas of nuclear materials research, biomass processing and aerospace technology. Examples are outlined below.
 - University of Regina: Small Modular Reactors Fuel Corrosion Lab – The lab is studying corrosion challenges related to small modular reactor fuel while also working to train personnel.
 - University of Saskatchewan: HAWC (High-altitude Aerosol, Water vapor and Cloud) NASA Satellite Mission – This project creates

opportunities to train and employ future scientists, engineers and information technology professionals in Saskatchewan to work with state-of-the-art space science equipment and meet global satellite challenges.

- Saskatchewan Polytechnic: Biomaterial Testing and Prototyping (B-TAP) – The project provides regional industry with access to applied biomaterial research expertise, together with training and state-of-the-art research equipment.
- Provide funding through SAIF to consortiums of companies/organizations developing technological innovations that solve industry specific challenges.
 - Two intakes were held in 2023-24. Of the \$1 million in funding Innovation Saskatchewan committed in 2023-24, \$748,000 was dispersed.
 - Spring – 11 expressions of interest submitted; four projects shortlisted for the full proposal stage; two projects ultimately recommended for approval by the external advisory committee.
 - Fall – 10 expressions of interest submitted; three projects shortlisted for the full proposal stage; one project ultimately recommended for funding by the external advisory committee.

Progress on Goal 2: Build and support a sustainable and inclusive technology sector.

Growth of the technology sector is supported through program funding, work with various government and industry partners and the provision of a soft-landing zone for technology companies at the research and technology parks. Priority areas include attracting and retaining companies, investing in the technology sector and supporting company growth. This is done in part through programming, maintaining park clusters, flexible lease arrangements and collaboration with industry and government partners.

Strategy: *The approach we will take to achieve our goal*

Develop, implement and fund programs and policies that support the needs of Saskatchewan's innovation ecosystem, including creating the conditions for technology entrepreneurship and growth from startup to scaleup, resulting in economic growth of the overall sector.

KeyActions: *What we will do to get there*

- Provide funding to Co.Labs, which is the province's first technology incubator and is located at the research and technology park in Saskatoon, to support the formation and growth of tech startups through their early stages and prepare them for later-stage growth programs and outside investment.
 - Co.Labs continues to support the growth of Saskatchewan tech startups of various stages through four main programs: Co.Learn; Co.Launch; Co.Link; and, Co.Lead:
 - The 2023 Uniting the Prairies conference was hosted in person on May 24-25, 2023. This tech conference brings together founders and investors from tech hubs in the prairie provinces. The 2023 conference had over 650 attendees from across North America.
 - Realized successes in 2023-24 included:
 - 20 startups incubated.
 - 122 jobs created.
 - \$7.6 million in venture capital raised by startups.
 - \$18.6 million in revenue generated by startups.
- Through the Made in Saskatchewan Technology Program (MIST), support startups in securing their first big customer by introducing them to government ministries and Crown Corporations.
 - The MIST program was launched by Innovation Saskatchewan in January 2019 and has had 56 applicants with nine pilot projects either in progress or completed with government partners.

- Of the total numbers, nine applications were received in 2023-24 with four pilot receiving a combined \$92,500 in funding from Innovation Saskatchewan.
- Through the Innovation Challenge program, identify policy issues and develop novel technology solutions to solve public sector challenges.
 - To date Innovation Saskatchewan has facilitated five challenges with its \$50,000 investment resulting in four new companies employing approximately 30 people.
 - The launch of new challenges was paused in 2022-23 during the integration with Innovation Place. The intent is to relaunch with a new challenge in 2024-25.
- Connect investors to new and mature tech startups in growth stages by providing a non-refundable 45 per cent tax credit to individuals, corporations and venture capital firms that invest in eligible companies through the Saskatchewan Technology Startup Incentive (STSI).
 - Demand for this program remained strong in 2023-24 with the annual tax credit cap being fully expended by August 2023. \$7.9 million in follow-on investment was raised outside the program and 49 jobs were created.
 - This incentive has proven to be an attractive resource for startups looking to grow and create jobs in Saskatchewan. Since launching in 2018:
 - 376 investors and 100 technology companies have been approved to raise capital.
 - 403 new jobs have been created.
 - \$91 million private investment has been attracted, with \$4.39 of private investment being leveraged for every \$1 of credits issued.
- Work with industry partners and provide support through the Technology Ecosystem Program to ensure sustainable growth of the tech sector.
 - Through the Technology Ecosystem Program, Innovation Saskatchewan focused support on labour market development, expanding the tech sector pipeline, capital access and development in the agtech space.
 - On April 19, 2023, Innovation Saskatchewan announced a pilot partnership with Wabash Heartland Innovation Network (WHIN), Mosaic and Cultivator powered by Conexus to further support agricultural technology development and economic growth in the province. The collaboration will establish an important connection to a significant market in the United States grain belt and help accelerate the commercialization and adoption of Saskatchewan agtech technologies through field trials with WHIN's Ag Alliance members.
 - Innovation Saskatchewan provided \$100,000 to Startup TNT to increase early-stage capital available for tech startups in Saskatchewan. The funding supported four investment summits: Saskatchewan Investment Summit VII in June 2023; Great Prairies Pitch Marathon in August 2023; Saskatchewan Investment Summit VIII in September 2023; and Agtech Investment Summit II in January 2024.
 - Innovation Saskatchewan has continued to work with Cultivator powered by Conexus (Cultivator), Canada's first credit union led tech incubator. In September 2023, sponsorship was provided for Cultivator's annual Startup Summit which brought together over 380 attendees including tech startups,

- mentors and investors from across North America. Funding provided to Cultivator also support its 24-Hour Startup hackathon in February 2024.
- Funding and sponsorships were provided for various ecosystem building events, awards and conferences throughout 2023-24 such as: Hack Regina’s hackathons; the Women Entrepreneurs Saskatchewan (WESK) Gala “Innovation Award”; the International CCS Knowledge Centre’s summer school program; Med.Hack(+) Hackathon; Canadian Western Agribition Animal Agtech Award “Most Innovative”; University of Saskatchewan Opus Innovation Expo; University of Saskatchewan - Saskatchewan Innovation Growth & Market Acceleration programming; University of Regina Startup Bootcamp; and, Tech Career Bridge events.
 - Innovation Saskatchewan worked with various partners on initiatives focused on engaging underrepresented groups in science, technology, engineering and mathematics (STEM) skills and entrepreneurship including:
 - Sponsorship for Regina Open Door Society’s Youth Coding Camp and Tech Skills Showcase.
 - Sponsorship for the Reconciling Tech: A Hackathon Improvement Equity for Indigenous Women 2024 in February 2024.
 - Participating on the Advisory Committee for the Indigenous Digital Economic Forum hosted by Saskatchewan Indigenous Economic Development Network on September 20, 2023.
 - Hosting an International Women’s Day Fireside Chat on March 8, 2024.
 - Through institute funding, supporting IMII’s Diversity and Inclusion Program, PTRC’s Progressive Aboriginal Relations program and CLS’s educational outreach with local schools and Indigenous communities.
 - Provide flexible and supportive business arrangements (e.g., lease rates, specialized lease terms, accounts receivable tolerance, other financial considerations), extensive programming efforts and support of various strategic partnerships to drive innovation.
 - Innovation Saskatchewan continued to offer programming that builds knowledge and supports growth of the companies, leaders and workforce operating in the tech ecosystem.
 - 100 programming events were hosted in 2023-24 with almost 11,800 attendees.
 - Innovation Saskatchewan continued to provide companies and founders access to over \$550,000 in supportive partnerships and discounts through 28 partnership programs as a perk of being part of its research and technology park community. These leveraged partnerships aim to accelerate tenant growth while also limiting their risks.

Progress on Goal 3: Focus Innovation Saskatchewan's resources into areas of strategic advantage and opportunity such as ICT, cleantech, agtech and health tech to position Saskatchewan as a world class innovation hub.

Programs and policies are developed to support areas where Saskatchewan has a natural advantage by leveraging existing partnerships and providing funding to promote agriculture, health and clean technology investments and entrepreneurs throughout the province.

The research and technology parks are leveraged to cluster similar organizations to maintain support for Saskatchewan's key growth sectors and build on the strengths of both the University of Saskatchewan and University of Regina. Network and capacity building is supported by intentionally housing support organizations, small firms, startups and incubators from similar sectors in one location, which ultimately promotes economic development.

Strategy: *The approach we will take to achieve our goal*

Develop programs and policies by leveraging existing partnerships and providing funding to promote agriculture, health and clean technology investments and entrepreneurs through the province.

Key Actions: *What we will do to get there*

- Through the Agtech Growth Fund (AGF), accelerate development of agtech in Saskatchewan by supporting R&D of cutting-edge agriculture technologies in the province and attracting investment from international agtech companies.
 - Two intakes were held in 2023-24 with four new projects approved for funding. Of the \$1 million in funding Innovation Saskatchewan committed in 2023-24, \$986,000 was dispersed.
- Invest in activities that focus on growing early stage agtech companies through investment attraction and startup support.
 - Innovation Saskatchewan committed \$15 million over five years in Conexus Venture Capital's Emmertech fund. Emmertech invests in agtech startups across Canada, with a minimum \$15 million being deployed in Saskatchewan-based agtech startups overall.
 - In 2021, Innovation Saskatchewan committed \$300,000 over three years towards the AGTECH ACCELERATOR in partnership with Economic Development Regina, Cultivator, and Emmertech. From March to June 2023, Cultivator successfully completed its second cohort with 16 companies selected from across Saskatchewan, Canada, the United Kingdom and Australia. To date, companies who have participated in the accelerator have generated over \$47 million in revenues, raised over \$100 million in investment capital and created over 150 net new jobs.

Strategy: *The approach we will take to achieve our goal*

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

KeyActions: *What we will do to get there*

- Create an environment that supports Saskatchewan-based private technology companies and allows them to integrate with business and technical service organizations, research institutes and national and international technology companies.
 - Innovation Saskatchewan continues to work with its independent Management Advisory Committees in Regina and Saskatoon to build a collaborative relationship that supports Saskatchewan's technology sector.
 - Clusters of similar organizations are maintained within the research and technology parks which support Saskatchewan's key growth sectors and build on the strengths of the University of Saskatchewan and University of Regina, both of which are located adjacent to the parks.
 - Sector distribution on tenants at March 31, 2024 was as follows:
 - Saskatoon: Agtech 30%; Health and Life Sciences 5%; Industry Services and Support 11%; Information and Communication Technology 35%; Natural Resources 19%
 - Regina: Agtech 3%; Health and Life Sciences 6%; Industry Services and Support 29%; Information and Communication Technology 32%; Natural Resources 30%
 - Combined: Agtech 24%; Health and Life Sciences 5%; Industry Services and Support 15%; Information and Communication Technology 35%; Natural Resources 21%
 - On Sept. 20, 2023, it was announced that Saskatchewan Polytechnic's new Saskatoon campus will be located at Innovation Place Saskatoon. The partnership between Saskatchewan Polytechnic, the University of Saskatchewan and Innovation Saskatchewan on this project offers tremendous opportunities for collaboration and innovation in the future.

Progress on Goal 4: Make Saskatchewan the preferred destination for local, national and international researchers, entrepreneurs and tech companies.

Leveraging all tools of the organization supports the technology and research sectors to attract, retain and grow its position in Saskatchewan. This includes eliminating barriers to market entry by combining the research parks and programs, utilizing engaging communications material and delivering on an international engagement plan.

Strategy: *The approach we will take to achieve our goal*

Advance priorities and identify opportunities internationally for Saskatchewan's technology companies, world-class institutes and researchers through its extensive knowledge and networks.

Key Actions: *What we will do to get there*

- Lead development and execution of international missions to target markets.
 - During 2023-24, Innovation Saskatchewan's outreach focused on the United States, United Kingdom (UK) and Germany – established markets where Saskatchewan has strong existing relations and extensive networks. Key initiatives included:
 - A mission to the World Agri-Tech Innovation Summit (WAIS) in San Francisco, including profiling and providing support to three agtech startups (Ground Truth Ag, Environmental Material Science and Kvale Informatics).
 - Worked with provincial and federal partners to coordinate a visit to Saskatchewan by Innovate UK and a delegation of 12 high-growth startups seeking collaborative research partnerships to advance the development and commercialization of circular solutions for critical minerals.
 - A formal presence at WAIS in London, UK, which created an opportunity to profile Saskatchewan's leadership in agtech and startups Precision.AI and Ground Truth Ag as well as advance other innovation-related priorities as part of a mission led by the Minister Responsible for Innovation Saskatchewan.
 - Partnering with the University of Saskatchewan and VIDO to host a roundtable during the Minister Responsible for Innovation Saskatchewan's mission to Berlin with nine key players representing government, academia and industry from Germany and France's biomanufacturing sector to further Saskatchewan's interest in expanding international partnerships in disease research, vaccine development and manufacturing.

Strategy: *The approach we will take to achieve our goal*

Ensure researchers, entrepreneurs and new tech companies have the critical infrastructure and support they need to operate and grow in Saskatchewan.

KeyActions: *What we will do to get there*

- Invest in the infrastructure required by technology companies access to specialized facilities, services and amenities they might not be able to access on their own.
 - Approximately 25 per cent of space available at the research and technology parks is considered speciality space. This includes 48,000 square feet of multi-tenant greenhouse and growth chamber space, 50,000 square feet of pilot plant space and 345,000 square feet of laboratory space.
 - \$523,000 in tenant improvement capital was spent in 2023-24 to ensure spaces meet tenant needs.
 - The official launch of Innovation Saskatchewan’s Collider co-working spaces in Regina and Saskatoon took place in February 2024. These multi-tenant tech hubs provide a flexible co-working space for tenants during a time in their business cycle where space requirements are evolving. Innovation Saskatchewan welcomed 16 new members to the Collider space in 2023-24.
 - Innovation Saskatchewan had 14 new tenants locate at the parks in 2023-24, three of which were startups.
 - The consolidated yearend vacancy rate for the two research and technology parks was 18.47 per cent: 16.97 per cent in Saskatoon and 22.43 per cent in Regina.

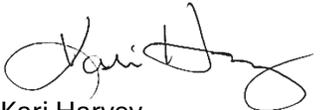
Financial Summary

Innovation Saskatchewan
Report of Management
For the Year Ended March 31, 2024

The accompanying financial statements are the responsibility of the management of Innovation Saskatchewan. They have been prepared in accordance with generally accepted accounting principles for the public sector, using management’s best estimates and judgments, where appropriate. Management is responsible for the reliability and integrity of the financial statements, the notes to the financial statements and other financial information contained in this report. Management is also responsible for maintaining a system of internal controls, policies and procedures designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable financial information.

The Innovation Saskatchewan Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Office of the Provincial Auditor has audited the agency’s financial statements in accordance with generally accepted auditing standards, and their report follows.

Additional financial information can be found in the Government of Saskatchewan Public Accounts located at <https://publications.saskatchewan.ca/#/categories/893>



Kari Harvey
Chief Executive Officer
Innovation Saskatchewan

INNOVATION SASKATCHEWAN

FINANCIAL STATEMENTS

March 31, 2024

June 19, 2024

The Honourable J. Harrison
Minister Responsible
for Innovation Saskatchewan
Room 307, Legislative Building
Regina, SK S4S 0B3

(via Email)

Dear Honourable J. Harrison:

**Re: Innovation Saskatchewan
Financial Statements**

We enclose the financial statements of Innovation Saskatchewan for the year ended March 31, 2024 and our report on these financial statements.

We issue audited financial statements and other final documents electronically using the Office's secure file-share program. Please whitelist the email account saskauditor@auditor.sk.ca to ensure it is not blocked or sent to junk.

Yours truly,



Tara Clemett, CPA, CA, CISA
Provincial Auditor

Enclosure

cc: (via Email)

The Honourable D. Harpauer, Chair, Treasury Board
M. Hendricks, Secretary, Treasury Board
C. Bayda, Provincial Comptroller, Ministry of Finance
K. Harvey, Chief Executive Officer, Innovation Saskatchewan
B. Sukenik, Vice President, Corporate Strategy and Services, Innovation Saskatchewan
R. Sengmany, Executive Director, Finance and Special Projects, Innovation Saskatchewan

**Innovation Saskatchewan
External Financial Statements**

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

Opinion

We have audited the financial statements of Innovation Saskatchewan, which comprise the statement of financial position as at March 31, 2024, and the statement of operations and accumulated surplus, statement of changes in net (debt) financial assets, statement of remeasurement gains and losses, and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Innovation Saskatchewan as at March 31, 2024, and the results of its operations, its remeasurement gains and losses, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Innovation Saskatchewan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, 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 Innovation Saskatchewan'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 Innovation Saskatchewan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Innovation Saskatchewan'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 Innovation Saskatchewan'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 Innovation Saskatchewan'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 Innovation Saskatchewan 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 identified during the audit.

Regina, Saskatchewan
June 19, 2024

A handwritten signature in black ink that reads "T. Clemett".

Tara Clemett, CPA, CA, CISA
Provincial Auditor
Office of the Provincial Auditor

STATEMENT 1

Statement of Financial Position**As at March 31**

(\$ thousands)

	2024		2023
Financial Assets			
Cash and Cash Equivalents (Note 7)	\$ 35,339	\$	32,760
Accounts Receivable (Note 8)	2,638		3,773
Investments (Note 9)	9,000		6,000
Debt Retirement Fund (Note 10)	6,098		5,641
	<u>53,075</u>		<u>48,174</u>
Liabilities			
Accounts Payable and Accrued Liabilities (Note 11)	8,295		9,178
Notes Payable (Note 12)	15,665		16,390
Lease Liabilities (Note 13)	49		333
Long Term Debt (Note 14)	36,684		36,684
Deferred Revenue (Note 15)	1,373		2,232
Asset Retirement Obligation (Note 16)	197		188
	<u>62,263</u>		<u>65,005</u>
Net (Debt) Financial Assets (Statement 3)	<u>(9,188)</u>		<u>(16,831)</u>
Non-Financial Assets			
Prepaid Expenses	560		578
Inventory	8		13
Other Assets (Note 17)	363		572
Tangible Capital Assets (note 18)	157,143		163,243
	<u>158,074</u>		<u>164,406</u>
Accumulated Surplus	<u>\$ 148,886</u>	<u>\$</u>	<u>147,575</u>
Accumulated Surplus is comprised of:			
Accumulated Operating Surplus (Statement 2)	\$ 149,302	\$	147,969
Accumulated Remeasurement Gains (Losses) (Statement 4)	(416)		(394)
	<u>\$ 148,886</u>	<u>\$</u>	<u>147,575</u>

Contractual Rights (Note 22)

Contractual Obligations (Note 23)

(see accompanying notes to the financial statements)

STATEMENT 2

Statement of Operations and Accumulated Surplus

For the Year Ended March 31

(\$ thousands)

	2024		2024		2023
	Budget		Actual		Actual
	(Note 6)				
Revenue					
Transfer from the General Revenue Fund – Operating Grant	\$ 28,727		\$ 28,227		\$ 28,727
Transfer from the General Revenue Fund – SOCO Transfer in (Note 5)	-		-		93,500
SOCO Transfer in (Note 5)	-		-		128,063
Research Park Operations	38,573		36,536		36,271
Interest	330		1,759		1,361
Other	-		-		3
	<u>67,630</u>		<u>66,522</u>		<u>287,925</u>
Expenses (Note 19)					
Administration	6,546		5,666		5,857
Research Park Operations	33,870		33,904		31,576
Programming	29,233		23,110		23,746
Interest	2,305		2,509		2,202
Transfer to Crown Investment Corp.(Note 5)	-		-		93,500
	<u>71,954</u>		<u>65,189</u>		<u>156,881</u>
Annual (Deficit) Surplus	(4,324)		1,333		131,044
Accumulated Surplus, beginning of year	\$ 147,969		\$ 147,969		\$ 16,925
Accumulated Surplus, end of year	<u>\$ 143,645</u>		<u>\$ 149,302</u>		<u>\$ 147,969</u>

(see accompanying notes to the financial statements)

STATEMENT 3

Statement of Change in Net (Debt) Financial Assets

For the Year Ended March 31

(\$ thousands)

	2024		2024		2023
	Budget		Actual		Actual
	(Note 6)				
Annual Surplus	\$ (4,324)	\$	1,333	\$	131,044
Acquisition of Tangible Capital Assets	(7,831)		(3,700)		(8,136)
Amortization of Tangible Capital Assets	8,658		9,800		8,922
Use of Other Assets	283		209		186
Consumption of Inventory	-		5		18
Purchase of Prepaid Expenses	-		18		(46)
SOCO Transfer In – Non-Financial Assets (Note 5)	-		-		(165,350)
	(3,214)		7,665		(33,362)
SOCO Transfer in – Accumulated Remeasurement (Losses) Gains (Note 5)	-		-		(282)
Effect of Remeasurement (Losses) Gains for the year	-		(22)		(112)
	-		(22)		(394)
(Decrease) / Increase in Net (Debt) Financial Assets	(3,214)		7,643		(33,756)
Net (Debt) Financial Assets , beginning of year	\$ (16,831)	\$	(16,831)	\$	16,925
Net (Debt) Financial Assets , end of year	\$ (20,045)	\$	(9,188)	\$	(16,831)

(see accompanying notes to the financial statements)

STATEMENT 4**Statement of Remeasurement Gains and Losses****For the Year Ended March 31**

(\$ thousands)

	2024	2023
Accumulated Remeasurement (Losses) Gains, beginning of year	\$ (394)	\$ -
SOCO Transfer in - Accumulated Remeasurement (Losses) Gains (Note 5)	-	(282)
Unrealized (Losses) Gains Attributable to: Debt Retirement Fund	(22)	(112)
Accumulated Remeasurement (Losses) Gains, end of year	\$ (416)	\$ (394)

(see accompanying notes to the financial statements)

STATEMENT 5

Statement of Cash Flows**As at March 31, 2024**

(\$ thousands)

	2024	2023
Operating Activities		
Annual Surplus	\$ 1,333	\$ 131,044
Non-cash Adjustments		
Amortization of Tangible Capital Assets (Note 18)	9,800	8,922
SOCO Transfer in - Accumulated Surplus (Note 5)	-	(34,563)
SOCO Transfer in – Equity Advances (Note 5)	-	(93,500)
Accretion Expense (Note 16)	9	8
Interest Earned on Sinking Fund	(112)	(69)
	<u>11,030</u>	<u>11,842</u>
Net Change in Non-cash Balances Relating to Operations		
Accounts Receivable	1,135	(1,874)
Accounts Payable & Accrued Liabilities	(883)	3,584
Deferred Revenue	(859)	(29)
Inventory	5	18
Prepaid Expenses	18	(46)
Change in Other Assets	209	186
Lease Liabilities	(284)	(233)
Cash Provided by (Used in) Operating Activities	<u>10,371</u>	<u>13,448</u>
Capital Activities		
Purchase of Tangible Capital Assets	(3,700)	(8,136)
Cash used in Capital Activities	<u>(3,700)</u>	<u>(8,136)</u>
Investing Activities		
Purchase of Investment	(3,000)	(3,000)
Cash used in Investing Activities	<u>(3,000)</u>	<u>(3,000)</u>
Financing Activities		
Debt Retirement Fund Installments	(367)	(367)
Transfer in – Cash (Note 5)	-	16,812
Repayment of Notes Payable	(725)	(850)
Cash Provided by Financing Activities	<u>(1,092)</u>	<u>15,595</u>
Net Change in Cash and cash equivalents for the year	2,579	17,907
Cash and cash equivalents, beginning of year	32,760	14,853
Cash and cash equivalents, end of year	\$ 35,339	\$ 32,760

(see accompanying notes to the financial statements)

Notes to the Financial Statements

March 31, 2024

(thousands \$)

1. ABOUT INNOVATION SASKATCHEWAN

Innovation Saskatchewan was established under the provisions of *The Innovation Saskatchewan Act* on November 2, 2009. On March 23, 2022, the Government of Saskatchewan announced the creation of a single innovation agency in the province, moving Saskatchewan Opportunities Corporation (SOCO) under the authority of Innovation Saskatchewan, effective April 1, 2022. SOCO, previously a subsidiary of Crown Investments Corporation Saskatchewan (CIC), operated the research and technology parks at the University of Regina and University of Saskatchewan and provides support to start ups and early stage technology companies. 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. On January 1, 2023 in accordance with Order in Council 489/2022, all of SOCO's assets, liabilities, obligations, equity, and operations were transferred to Innovation Saskatchewan.

Innovation Saskatchewan supports the province's research community and technology sector to foster economic growth and diversity. As an economic development focused central agency of the Government of Saskatchewan, Innovation Saskatchewan is responsible for implementing the province's innovation priorities and growing the technology sector. Innovation Saskatchewan develops policies and programs and conducts activities that assist in the implementation of research & development, science, and technology for the province. This includes development and operation of Saskatchewan's research and technology parks in Saskatoon and Regina.

As a central agency of the Government of Saskatchewan, the Agency is subject to neither federal nor provincial income taxes. The Agency is also not subject to provincial capital taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards issued by the Public Sector Accounting Board.

The following accounting policies are considered significant:

a) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Items requiring the use of estimates include allowance for doubtful accounts, accrued liabilities, asset retirement obligation, and amortization. Actual results could differ from those estimated.

b) Revenue

Government transfers are recognized as revenue in the period in which the events giving rise to the transfer occur, eligibility criteria are met and reasonable estimates of the amount can be made.

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 Agency. Amounts received in advance of contract terms are recorded as deferred revenue.

The Agency 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.

Interest revenue is recorded when receivable.

c) Expenses

Expenses, recorded on an accrual basis, represent Innovation Saskatchewan's cost to deliver services and are recorded in the period the service was provided. Program grants are recognized as expenses in the period the transfer is authorized and eligibility criteria are met.

d) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset.

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

Leases of tangible capital assets which transfer substantially all the benefits and risks of ownership are accounted for as leased tangible capital assets, which are recorded at the present value of the minimum lease payments. The discount rate used to determine the present value of the lease payments is the lower of Innovation Saskatchewan's rate for incremental borrowing or the interest rate implicit in the lease.

Tangible capital assets are recorded at cost and amortized on a straight-line basis over their estimated useful lives as follows:

- Furniture and equipment 3 – 10 years
- Buildings and infrastructure 20 – 80 years
- Leasehold improvements lease term

Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to Innovation Saskatchewan's ability to provide goods and services, or when the value of future

economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

3. NEW ACCOUNTING STANDARDS

The following new accounting standards came into effect as of the date indicated below:

- PS 3400 Revenue – April 1, 2023
- PS 3160 Public Private Partnerships – April 1, 2023
- PSG-8 Purchased Intangibles – April 1, 2023

The adoption of these standards do not have a material impact on Innovation Saskatchewan's financial statements.

The new accounting standard, PS 1202 Financial Statement Presentation, will come into effect on April 1, 2026. Innovation Saskatchewan has not adopted this standard early for the current year.

4. FINANCIAL INSTRUMENTS

Innovation Saskatchewan's financial assets consist of cash, accounts receivable, investments and debt retirement fund. Financial liabilities consist of accounts payable, accrued liabilities, deferred revenue, lease liabilities, notes payable and long-term debt.

The Agency uses the following categories to classify its financial instruments: fair value, or cost or amortized cost.

Majority of financial instruments with the exception of investments, are initially recognized at fair value. The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. The carrying amounts of these instruments approximates fair value due to their short-term nature.

The carrying amount of the Emmertech investment is measured at cost. Innovation Saskatchewan has invested in a privately managed fund that is not measured in an active market. The Debt Retirement Fund is measured at fair value.

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 operations and accumulated surplus.

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 Agency 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.

5. PROVINCIAL GOVERNMENT TRANSFER OF SOCO

Effective April 1, 2022, SOCO was moved from being a subsidiary of Crown Investments Corporation (CIC), to being under the authority of Innovation Saskatchewan. To facilitate the transfer, Innovation Saskatchewan received one-time funding in the amount of \$93.5 million. On receipt of funds, Innovation Saskatchewan paid CIC \$93.5 million for its investment in SOCO.

The assets and liabilities have been recorded at the SOCO carrying value at the time of the transfer, adjusted for the impact of the change in accounting policy for asset retirement obligations. The net amount has been recorded as revenue during the year.

Details of the transfer on April 1, 2022 are as follows:

Financial Assets	\$	24,015
Liabilities		(61,584)
Net (Debt) Financial Assets		<u>(37,569)</u>
Non-Financial Assets	\$	165,350
Accumulated Surplus	\$	34,563
Equity Advances		<u>93,500</u>
		128,063
Accumulated Other Comprehensive Income	\$	(282)

6. BUDGET APPROVAL

The budget for Innovation Saskatchewan was approved (subject to provincial government finalization) by the Innovation Saskatchewan Board on September 27, 2022.

7. CASH AND CASH EQUIVALENTS

	2024		2023
Cash in bank and on hand	35,339		32,760
	<u>\$ 35,339</u>	<u>\$</u>	<u>32,760</u>

Cash held in bank earns interest based on a fixed percentage in relation to the bank prime rate. Total interest earned during the year was on cash held in bank was \$1,646 (2022-23 - \$716).

8. ACCOUNTS RECEIVABLE

	2024		2023
Trade receivables, net of allowance	\$ 2,274	\$	3,168
Accrued receivables	379		466
Work in progress	(17)		135
Other	2		4
	<u>\$ 2,638</u>	<u>\$</u>	<u>3,773</u>

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

9. INVESTMENTS

Innovation Saskatchewan has a privately managed investment of \$9 million at March 31, 2024 (2022-23 – \$6 million).

Innovation Saskatchewan committed to investing \$15.0 million over five years into an agtech venture capital fund. This venture capital fund will invest in agtech startups across Canada focusing on early-stage investments in digital farm technologies. The fund has a mandate to invest at least \$15.0 million in Saskatchewan-based companies.

10. DEBT RETIREMENT FUND

	2024		2023
Balance, beginning of year	\$ 5,641	\$	-
SOCO Transfer In	-		5,317
Installments	367		367
Earnings	112		69
Valuation adjustment	(22)		(112)
Balance, end of year	<u>\$ 6,098</u>	<u>\$</u>	<u>5,641</u>

Under conditions attached to the long term debt issues, the Agency 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:

2024-25	\$	367
2025-26		367
2026-27		367
2027-28		367
2028-29		367

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024		2023
Trade payables	\$ 3,418	\$	4,003
Interest payable	399		402
Accrued liabilities and other	4,478		4,773
	<u>\$ 8,295</u>	<u>\$</u>	<u>9,178</u>

12. NOTES PAYABLE

	2024		2023
Balance, beginning of year	\$ 16,390	\$	-
SOCO Transfer in	-		17,240
Repayments	(725)		(850)
Balance, end of year	<u>\$ 15,665</u>	<u>\$</u>	<u>16,390</u>

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 4.84%.

Interest expense associated with notes payable was \$768 for the year ended March 31, 2024 (2023 – \$465).

13. LEASE LIABILITIES

The Agency's leased tangible capital assets include corporate computers, network infrastructure, office equipment and vehicles. Lease expiry dates of these assets range from January 2024 to September 2025. Total cash outflows for leases in 2023/24 was \$286 (with allocation between principal repayment of \$284 and interest payment of \$2).

Repayments are due as follows:

	2024		2023
Total future minimum lease payments	\$ 51	\$	335
Less: future finance charges on leases	(2)		(2)
Present value of lease liabilities	<u>\$ 49</u>	<u>\$</u>	<u>333</u>

14. LONG TERM DEBT

	2024		2023	
Balance, beginning of year	\$	36,684	\$	-
SOCO Transfer in		-		36,684
Balance, end of year	\$	36,684	\$	36,684

The Agency'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, 2024
July 11, 2008	July 11, 2038	4.71	4.71	\$ 23,684
July 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.

Interest expense associated with long term debt was \$1,740 for the year ended March 31, 2024 (2023 – \$1,735).

15. DEFERRED REVENUE

Deferred revenue recorded on the Statement of Financial Position is comprised of prepaid rental payments from tenants of Innovation Place and conditional construction costs from tenants who have surrendered space prior to the end of the term of their lease.

16. ASSET RETIREMENT OBLIGATION

Innovation Saskatchewan has recorded an asset retirement obligation for the removal of asbestos floor tiles and mercury light fixtures from 20 buildings located in the Saskatoon and Regina technology parks. The unamortized asset retirement obligation is being amortized over the remaining life of the associated assets of 38 years (Saskatoon) and 74 years (Regina). The discount rate of 4.50% is used to estimate the future value of the asset retirement obligation.

Management does not foresee any events or circumstances in the future that would have a significant impact on the estimates value of the asset retirement obligation.

The asset retirement obligation recorded in these financial statements is as follows:

	2024		2023	
Carrying amount, beginning of year	\$	188	\$	-
SOCO Transfer in		-		180
Accretion expense		9		8
Carrying amount, end of year	\$	197	\$	188

17. OTHER ASSETS

	2024	2023
Deferred rent receivable	\$ 208	\$ 339
Leasing costs	155	233
	<u>\$ 363</u>	<u>\$ 572</u>

18. TANGIBLE CAPITAL ASSETS

	Furniture and Equipment	Building and Infrastructure	Leasehold Improvements	Total 2024	Total 2023
Cost, beginning of year	\$ 9,625	\$ 270,828	\$ 42,831	\$ 323,284	\$ -
SOCO Transfer in	-	-	-	-	315,156
Additions	958	2,219	523	3,700	8,136
Disposals	-	-	-	-	(8)
Cost, end of year	<u>\$ 10,583</u>	<u>\$ 273,047</u>	<u>\$ 43,354</u>	<u>\$ 326,984</u>	<u>\$ 323,284</u>
Accumulated Amortization, beginning of year	\$ 7,984	\$ 131,379	\$ 20,678	\$ 160,041	\$ -
SOCO Transfer in	-	-	-	-	151,127
Amortization	529	6,355	2,916	9,800	8,922
Disposals	-	-	-	-	(8)
Accumulated Amortization, end of year	<u>8,513</u>	<u>137,734</u>	<u>23,594</u>	<u>169,841</u>	<u>160,041</u>
Net Book Value of Tangible Capital Assets	<u>\$ 2,070</u>	<u>\$ 135,313</u>	<u>\$ 19,760</u>	<u>\$ 157,143</u>	<u>\$ 163,243</u>

Included in the totals for furniture and equipment are leases of tangible capital assets with a net book value of \$49 (cost of \$1,855; accumulated amortization of \$1,806). Amortization on these assets totaled \$284 for the year.

Net book value of assets under construction at March 31, 2024, and not being amortized, was \$2,307.

19. EXPENSES BY OBJECT

	2024	2023
Grants and Transfers (Programming) – see detail below	\$ 23,110	\$ 23,746
Transfer to Crown Investments Corp.	-	93,500
Interest	2,509	2,202
Salaries and Benefits	11,398	10,688
Amortization	9,800	8,922

Utilities	5,685	6,017
Professional & Contractual Services	4,773	4,195
Grants in Lieu of Taxes	4,042	3,845
Interest & Bank Charges	48	36
Maintenance	2,217	1,895
Supplies & Materials	1,218	1,037
Advertising and Promotion	132	105
Miscellaneous	88	265
Rent	330	387
Sponsorship	112	256
Travel & Other Staff Costs	238	304
Governance	22	75
Allocations	(533)	(594)
	<u>\$ 65,189</u>	<u>\$ 156,881</u>

Programming

	2024	2023
Saskatchewan Advantage Innovation Fund	\$ 748	\$ 990
Petroleum Technology Research Centre	1,675	2,175
Innovation and Science Fund	3,020	2,522
International Minerals and Innovation Institute	256	311
Sylvia Fedoruk Centre	2,500	2,500
Canadian Light Source	4,100	4,100
Vaccine and Infectious Disease Organization	4,149	4,149
Saskatchewan Health Research Foundation	4,849	4,849
Saskatchewan Collaborates Inc. (Tech. Incubator)	375	375
Technology Ecosystem Program (Regina Startups Program)	360	345
Made in Saskatchewan Technology	93	30
Agtech Growth Fund (AGF)	986	1,000
Vaccine and Infectious Disease Organization – BRIF	-	400
	<u>\$ 23,111</u>	<u>\$ 23,746</u>

20. 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, accounts receivables, a privately managed fund 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.

The privately managed fund is managed to only deal with third parties it believes to be creditworthy and by monitoring credit exposures and collateral. The greatest concentration of credit risk arises from investments in convertible securities.

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, 2024, 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.

Although the Agency'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 Agency 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 Agency's accounts receivables:

	2024	2023
Current	\$ 734	\$ 1,359
31– 60 days	222	189
61 – 90 days	208	155
Over 90 days	1,696	2,292
	<u>2,860</u>	<u>3,995</u>
Allowance	(222)	(222)
Accounts receivables	<u>\$ 2,638</u>	<u>\$ 3,773</u>

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:

	2024	2023
Allowance for doubtful accounts, beginning of year	\$ 222	\$ -
Transfer in	-	105
Provision	7	164
Write-offs, net of recoveries	(7)	(47)
Allowance for doubtful accounts, end of year	<u>\$ 222</u>	<u>\$ 222</u>

b. Interest rate risk

Interest rate risk is the risk of financial loss resulting from changes in market interest rates. The Agency is exposed to interest rate risk on the maturity of its notes payable. Notes payable outstanding at March 31, 2024 was \$15,665.

The Agency is also exposed to interest rate risk on its cash balances as the rate of return fluctuates with prime interest rates as well as interest rates associated with the debt retirement fund. The impact of fluctuations in interest rates is not considered significant to the Agency.

c. Liquidity risk

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

The following summarizes the contractual maturities at March 31, 2024:

	6 Months or Less	7 to 12 Months	1 to 2 Years	3 to 5 Years	More Than 5 Years
Trade and other payables	\$ 8,295	\$ –	\$ –	\$ –	\$ –
Notes payable	15,665	–	–	–	–
Lease liabilities	22	14	13	–	–
Long term debt*	870	870	3,479	5,219	54,457
	<u>\$ 24,852</u>	<u>\$ 884</u>	<u>\$ 3,492</u>	<u>\$ 5,219</u>	<u>\$ 54,457</u>

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

d. Market risk

Market risk is the risk that the value of an investment will decrease due to moves in market factors. The Agency 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, 2024 would not have a material impact on net measurement gains (losses).

The value of Innovation Saskatchewan’s privately managed fund is influenced by the outlook of the issuer and by general economic conditions, as well as industry and market trends. The extent of the impact to the financial performance and operations of Innovation Saskatchewan will depend on future developments, which are highly uncertain and cannot be predicted.

21. RELATED PARTIES

These financial statements include transactions with related parties. Innovation Saskatchewan is related to its Board of Directors and Chief Executive Officer and their close family members, as well as any organization controlled by or under shared control of these individuals. Also, Innovation Saskatchewan is related to all Saskatchewan ministries, agencies, boards, school divisions, health authorities, regional colleges and Crown Agencies under the common control of the Government of Saskatchewan (collectively referred to as “related parties”).

Related party transactions to March 31, 2024 include the following:

	2024	2023
Revenue	\$ 8,668	\$ 8,273
Expenses	7,657	6,351
Accounts Receivable	75	28
Accounts Payable and Accrued Liabilities	1,577	126

Innovation Saskatchewan has no related party programming in future years at March 31, 2024.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. In addition, Innovation Saskatchewan pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases.

22. CONTRACTUAL RIGHTS

Innovation Saskatchewan is party to certain contractual rights which are expected to provide future economic benefits to the organization.

The Agency has operating leases with its tenants that are related to the research parks owned by the Agency. 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 Operations and Accumulated Surplus.

The future minimum lease payments under non-cancellable operating leases, at March 31, 2024 are:

	2024-25	2025-26	2026-27	2027-28	2028-29
Future Minimum Lease Payments	\$14,167	\$7,852	\$3,867	\$1,769	\$1,145

23. CONTRACTUAL OBLIGATIONS

The Agency has contractual obligations at March 31, 2024 including the following:

	2024-25	2025-26	2026-27	2027-28	2028-29
Programming	\$ 2,575	\$ 1,390	\$ 514	\$ 412	\$ 661
Construction Contracts	2,780	-	-	-	-
Licensing and Other	109	-	-	-	-
	\$ 5,464	\$ 1,390	\$ 514	\$ 412	\$ 661

The contractual obligation for Programming indicated above does not include a known obligation of \$12,500 to VIDO. The future timing for this contractual obligation is unknown as of March 31, 2024.

24. PENSION COSTS

The employees of Innovation Saskatchewan participate in the Public Employees' Pension Plan defined contribution plan. Pension costs of \$764 (2022-23 \$588) are included in pension and benefits expense and comprise the cost of employer contributions for current service of employees during the year. Employer contribution levels are applied at 8.6% of salary. Innovation Saskatchewan's liability is limited to the required contributions.