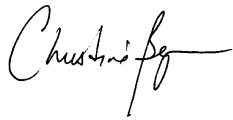


InBC Investment Corp.

Statement of Financial Information
for the Year ended March 31, 2023

Statement of Financial Information Approval

The undersigned represents the Board of Directors of the InBC Investment Corp. and approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.



Name: Christine Bergeron
Title: Board Chair, InBC Investment Corp.
Date: September 18, 2023

Table of Contents

Included in audited financial statements:

- Consolidated Statement of Financial Position
- Consolidated Statement of Operations
- Consolidated Statement of Remeasurement Gains and Losses
- Consolidated Statement of Change in Net Financial Assets
- Consolidated Statement of Cash Flows

Included separately:

- Schedule of Debts
- Schedule of Guarantee and Indemnity Agreements
- Schedule of Remuneration and Expenses
- Schedule of Supplier Payments



**Consolidated Financial Statements
of
INBC INVESTMENT CORP.
Year Ended March 31, 2023**



TABLE OF CONTENTS

MANAGEMENT'S REPORT	3
INDEPENDENT AUDITOR'S REPORT	4
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	7
CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGE IN ACCUMULATED SURPLUS	8
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES	8
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS	9
CONSOLIDATED STATEMENT OF CASH FLOWS	10
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	11

MANAGEMENT'S REPORT

Management's Responsibility for the Consolidated Financial Statements

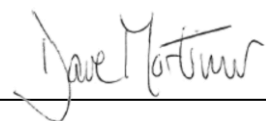
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements. A summary of the significant accounting policies is described in Note 2 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal consolidated financial statements on a quarterly basis and external audited consolidated financial statements annually. The Board also discusses any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The Auditor General of British Columbia conducts an independent examination, in accordance with Canadian auditing standards, and expresses his opinion on the consolidated financial statements. The external auditor has full and free access to financial management of the Corporation and meets when required. The accompanying Auditor's Report outlines his responsibilities, the scope of his examination and his opinion on the consolidated financial statements.

On behalf of InBC Investment Corp.,



David Mortimer, CPA, CA | CFO
Vancouver, BC
June 22, 2023



Jill Earthy, MBA | CEO



Independent Auditor's Report

*To the Board of Directors of InBC Investment Corp., and
To the Minister of Jobs, Economic Development and Innovation, Province of British Columbia*

Opinion

I have audited the accompanying consolidated financial statements of InBC Investment Corp. ("the Corporation"), which comprise the consolidated statement of financial position as at March 31, 2023, and the consolidated statements of operations and change in accumulated surplus, remeasurement gains and losses, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2023, and the results of its operations, change in its net financial assets, cash flows and remeasurement gains and losses for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Corporation in accordance with the ethical requirements that are relevant to my audit of the Corporation's consolidated financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Accompanying Information

Management is responsible for the other information accompanying the consolidated financial statements. The other information comprises the information included in the 2022/23 Annual Service Plan Report, a draft of which I obtained prior to the date of this auditor's report, and the Statement of Financial Information for the year ended March 31, 2023, which is expected to be made available to me after that date, but does not include the consolidated financial statements and my auditor's report thereon.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information that I have obtained prior to the date of my auditor's report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained during the audit or otherwise appears to be materially misstated.

Independent Auditor's Report

InBC Investment Corp.

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

When I read the final 2022/23 Annual Service Plan Report and the Statement of Financial Information for the year ended March 31, 2023, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

Other Matters

The consolidated financial statements of the Corporation for the year ended March 31, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on June 17, 2022.

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

Those charged with governance are responsible for the oversight of the financial reporting process. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting when the Corporation will continue its operations for the foreseeable future.

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

My objectives are to obtain reasonable assurance about whether the Corporation's consolidated 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 my 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 aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated 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 my opinion. The risk of not detecting a material misstatement

Independent Auditor's Report

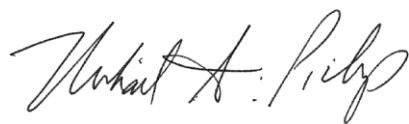
InBC Investment Corp.

resulting from fraud is higher than 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit and I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and communicated with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



Michael A. Pickup, FCPA, FCA
Auditor General of British Columbia

Victoria, British Columbia, Canada
June 28, 2023

INBC INVESTMENT CORP.

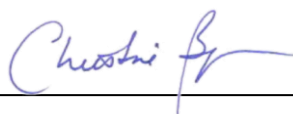
Consolidated Statement of Financial Position

(in \$000)

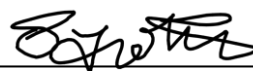
As at March 31	2023	2022
Financial Assets		
Cash	4,742	5,783
Investments	220	-
Accounts Receivable	96	8
Loans Receivable (Note 3)	5,764	8,754
Derivatives (Note 5)	36	-
Venture Investments - Legacy (Note 4)	72,740	74,175
Venture Investments - InBC Investment Corp. (Note 4)	4,777	-
	88,375	88,720
Liabilities		
Accounts Payable and Accrued Liabilities	1,332	35
Derivatives (Note 5)	-	82
Due to Related Parties (Note 10)	437	146
Fiscal Agency Loan - Legacy (Note 6)	16,167	18,997
Fiscal Agency Loan - InBC Investment Corp. (Note 6)	4,404	-
	22,340	19,260
Net Financial Assets	66,035	69,460
Non-Financial Assets		
Tangible capital assets (Note 7)	38	-
Prepaid Expenses	99	11
	137	11
Accumulated Surplus	66,172	69,471
Accumulated Surplus is comprised of:		
Accumulated Operating Surplus	66,131	69,553
Accumulated Remeasurement Gains	41	(82)
	66,172	69,471

Commitments (Note 9)

Approved by the Board



Christine Bergeron | Chair – Board of Directors



Suzanne Trottier | Vice Chair – Board of Directors

INBC INVESTMENT CORP.

Consolidated Statement of Operations and Change in Accumulated Surplus

(in \$000)

For the Year Ended March 31	Budgeted Figures <i>(Note 13)</i>	2023	2022
Revenues:			
Venture Capital Investment Income	-	673	6,590
Interest Income	274	382	376
	274	1,055	6,966
Expenses (Note 11)	5,663	4,477	1,903
Annual Operating (Deficit) Surplus	(5,389)	(3,422)	5,063
Accumulated Annual Operating Surplus, Beginning of Year	69,553	69,553	64,490
Accumulated Annual Operating Surplus, End of Year	64,164	66,131	69,553

Consolidated Statement of Remeasurement Gains and Losses

(in \$000)

For the Year Ended March 31	2023	2022
Accumulated Remeasurement (Losses) at the beginning of the year	(82)	(301)
Unrealized Gains (Losses) attributable to:		
Derivatives	148	(16)
Investments	5	-
Amounts Reclassified to the Statement of Operations		
Derivatives	(30)	235
Change in Remeasurement Gains (Losses) for the Year	123	219
Accumulated Remeasurement Gains (Losses), End of the Year	41	(82)

INBC INVESTMENT CORP.

Consolidated Statement of Change in Net Financial Assets

(in \$000)

For the Year Ended March 31	2023	2022
Annual Operating (Deficit) Surplus	(3,422)	5,063
Acquisition of tangible capital assets	(38)	-
Acquisition of prepaid expenses	(135)	(11)
Use of prepaid expenses	47	-
	(88)	(11)
Effect of Remeasurement Gains/(Losses)	123	219
Increase (Decrease) in Net Financial Assets	(3,425)	5,271
Net Financial Assets, Beginning of the Year	69,460	64,189
Net Financial Assets, End of the Year	66,035	69,460

INBC INVESTMENT CORP.

Consolidated Statement of Cash Flows

(in \$000)

For the Year Ended March 31	2023	2022
Operating Transactions:		
Annual (Deficit) Surplus	(3,422)	5,063
Items not involving Cash:		
Amortization of Promissory Discount	-	16
Gains on Venture Capital distributions	(215)	(6,590)
Realized Investment Loss	4	204
Changes in non-cash Operating Working Capital:		
Accounts Receivable	(87)	(8)
Prepaid Expenses	(88)	(11)
Accounts Payable and Accrued Liabilities	253	35
Accrued Interest on Fiscal Agency Loan	136	10
Accrued Loan Interest Receivable	8	15
Due to Related Parties	315	140
Cash (used for) Operating Activities	(3,096)	(1,126)
Capital Transactions:		
Acquisition of tangible capital assets	(38)	-
Cash (used for) Capital Activities	(38)	-
Financing Transactions:		
Cash received / (repaid) from Fiscal Agency Loans	1,438	(15,992)
Repayment of Promissory Notes	-	(1,840)
Cash provided by / (used in) Financing Activities	1,438	(17,832)
Investing Transactions:		
Repayment of Loan Principal	2,982	5,383
Capital calls to Venture Capital Funds	(13,082)	(15,493)
Returns from Venture Capital Funds	10,755	21,150
Cash provided by Investing Activities	655	11,040
(Decrease) in Cash	(1,041)	(7,918)
Cash, Beginning of Year	5,783	13,701
Cash, End of Year	4,742	5,783

Notes to Consolidated Financial Statements

1. NATURE OF BUSINESS

InBC Investment Corp. (“the Corporation”) was created on September 17, 2020 by renaming the BC Immigrant Investment Fund Ltd. (BCIIF). The BCIIF was incorporated on September 19, 2000 under the *Company Act* and was wholly owned by the Province of British Columbia.

On May 20, 2021, legislation was enacted that changed the corporate structure of InBC. The Corporation is now incorporated under the *InBC Investment Corp. Act*, with two shares issued. One share is held by the Minister of Finance and one share is held by the Minister of Jobs, Economic Development and Innovation. The Corporation’s Board of Directors is comprised of nine members, seven of whom are from outside government.

On October 22, 2007, the B.C. Renaissance Capital Fund Ltd. (BCRCF) was incorporated under the *Business Corporations Act* and is a wholly owned subsidiary of InBC Investment Corp. The primary business of BCRCF, a Limited Partner in venture capital funds, is to stimulate economic development and generate returns.

InBC administers a \$500 million strategic investment fund, established for the purpose of investing to achieve a financial return and in accordance with the policy objectives of the government as set out in the mandate letter to the Corporation signed by the two ministers. The *InBC Investment Corp. Act* continues all assets, liabilities, and activities of the Corporation, including responsibility for its subsidiary, the BCRCF.

The Minister of Finance acts as a fiscal agent for the Corporation. The Corporation is exempt from federal and provincial taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These consolidated financial statements are prepared by management in accordance with generally accepted accounting principles established by the Canadian Public Sector Accounting Board.

Basis of Consolidation

The consolidated financial statements include the assets, liabilities, results of operations and cash flows of the Corporation and its wholly owned subsidiary, the BCRCF. All intercompany transactions and balances have been eliminated upon consolidation.

Revenue Recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to revenues.

Venture Capital Investment Income represents BCRCF’s portion of distribution of proceeds resulting from the divestiture of investments held by the Funds. Income is recognized once all paid in capital to the fund has been returned.

Realized investment gains represents realized investment and foreign exchange gains and losses earned in operating accounts and is recognized on the sale of investments.

Interest income from loans receivable is recognized on an accrual basis.

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed.

Foreign Currency Translation

Foreign currency transactions are translated at the exchange rate prevailing at the date of transactions.

Monetary assets and liabilities, and non-monetary items included in the fair value measurement category denominated in foreign currencies are translated into Canadian dollars at the exchange rate prevailing at the financial statement date. Unrealized foreign exchange gains and losses are recognized in the consolidated statement of remeasurement gains and losses. In the period of settlement, realized foreign exchange gains and losses are recognized in the consolidated statement of operations, and the cumulative amount of remeasurement gains and losses is reversed in the consolidated statement of remeasurement gains and losses.

Measurement Uncertainty

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Items requiring the use of significant estimates include the valuation of venture capital investments for any possible impairment.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these consolidated financial statements. Actual results could differ from these estimates.

Financial Instruments

Equity instruments and derivatives quoted in an active market are measured at fair value. All other financial assets and financial liabilities are measured at cost or amortized cost. The following classification system is used to describe the basis of the inputs used to measure the fair value of financial instruments in the fair value measurement category:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 Market-based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly
- Level 3 Inputs for the asset or liabilities that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the consolidated statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the consolidated statement of remeasurement gains and losses and recognized in the consolidated statement of operations. Interest attributable to financial instruments is reported in the consolidated statement of operations.

All financial assets recorded at amortized cost are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of an investment to reflect a loss in value is not reversed for a subsequent increase in value.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

i. Cash

Cash includes both cash and highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. The investments are held for the purpose of meeting short-term cash commitments rather than for investing. They are reported at cost.

ii. Accounts and loans receivable

Accounts and loans receivable are recorded at amortized cost using the effective interest method less any amount for valuation allowance. Valuation allowances are made to reflect loans receivable at the lower of amortized cost and net recoverable value, when collectability and risk of loss exists. Interest is accrued on loans receivable to the extent it is deemed collectible.

iii. Venture investments

The Corporation invests in venture investments as a Limited Partner. These investments are reported at cost as there is no quoted market price in an active market.

Investment Commitments (*Note 9*) to venture capital funds are not recorded as liabilities on the statement of financial position until a capital call is issued by the venture capital fund. The liability exists until the capital call is funded, generally within five business days.

iv. Debt and other financial liabilities

All debt and other financial liabilities are recorded using cost or amortized cost.

v. Derivative Product Transactions

The Corporation has entered into an interest rate swap where it will pay a fixed rate of interest instead of a variable rate based on a schedule of anticipated draws from the Fiscal Agency Loan. Derivatives are reported at fair value using Level 1 valuation (*Note 5*).

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible Capital Assets

Tangible capital assets (*Note 7*) are initially recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. The cost, less residual value of the tangible capital assets, are amortized on a straight line basis over their estimated useful life as follows:

Asset Class:	Software	Useful Life:	3 years
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Assets under construction are not amortized until the asset is available for productive use.

Employee Future Benefits

The Corporation accrues employee vacation entitlements, included in amounts due to related parties.

The Corporation is a member of the Public Service Pension Plan (*Note 12*). The plan is a defined benefit plan, providing pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. The Public Service Pension Plan is a multi-employer jointly trusted plan. As the assets and liabilities of the plan are not segregated by employer, the plan is accounted for as a defined contribution plan and any company contributions to the plan are expensed as incurred.

Segmented Disclosure

A segment is defined as a distinguishable activity or group of activities of a Company for which it is appropriate to separately report financial information. The Corporation has provided definitions of segments used by the Corporation as well as presented financial information of the segments in *Note 11*.

INBC INVESTMENT CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023
(tabular figures in \$000)



3. LOANS RECEIVABLE

	2023	2022
Due from University of Victoria, principal of \$10,000,000, the outstanding balance is being amortized in equal blended quarterly payments of interest and principal at an annual interest rate of 2.48% over a 10 year term. The outstanding balance of this loan will be due in full on May 2, 2023.	5,764	6,252
Due from the Province of British Columbia, principal of \$45,000,000, the outstanding balance is being amortized in equal blended quarterly payments of interest and principal at an annual interest rate of 2.24% over a 10 year term. The outstanding balance of this loan was paid out August 17, 2022.	-	2,502
Total loans receivable	5,764	8,754

4. VENTURE INVESTMENTS

Venture Investments - Legacy

Through its subsidiary the Corporation holds investments made under agreements put in place before the *InBC Investment Corp. Act* came into force on May 20, 2021. The Corporation's subsidiary, the BCRCF, has two legacy venture investment portfolios. In portfolio one, BCRCF has investments as a limited partner in nine venture funds. In portfolio two, BCRCF invests in the BC Tech Fund as a limited partner.

Cumulative contributions and returns of capital to date for BCRCF are:

	2023	2022
Canadian Dollar Venture Funds		
Cumulative contributions to date	128,885	119,614
Cumulative returns of capital	(57,449)	(47,050)
Total Canadian Dollar Venture Funds	71,436	72,564
US Dollar Venture Funds		
Cumulative contributions to date	41,307	41,252
Cumulative returns of capital	(18,711)	(18,349)
US Dollar Venture Funds	22,596	22,903
Combined Canadian and US Dollar Funds	94,032	95,467
Less cumulative impairments	(21,292)	(21,292)
Venture Capital Investments -Legacy	72,740	74,175

INBC INVESTMENT CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023
(tabular figures in \$000)



4. VENTURE INVESTMENTS (Continued)

Venture Investments – InBC Investment Corp.

The *InBC Investment Corp. Act* establishes the Corporation for the purposes of making investments that:

- a) Achieve a financial return
- b) Support the social, economic and environmental policy objectives of the government.

The following investments were made subsequent to May 20, 2021, for the purposes of the Corporation established in the *InBC Investment Corp. Act*:

	2023	2022
Canadian Dollar Venture Funds		
Cumulative contributions to date	2,373	-
Cumulative returns of capital	-	-
Total Canadian Dollar Venture Funds	2,373	-
US Dollar Venture Funds		
Cumulative contributions to date	2,404	-
Cumulative returns of capital	-	-
US Dollar Venture Funds	2,404	-
Combined Canadian and US Dollar Funds	4,777	-
Less cumulative impairments	-	-
Venture Capital Investments - InBC	4,777	-

During the year, impairments totaling \$0 (2022: \$0) in venture capital investments were identified by management and reported on the consolidated statement of operations.

5. DERIVATIVES

	2023	2022
Minister of Finance interest rate swap, fixed at 1.65 % commencing in 2017 through 2023	36	(82)

The Corporation entered an interest rate swap with the Minister of Finance where it will pay a fixed rate of interest instead of a variable rate based on a schedule of anticipated draws on the Fiscal Agency Loan. The derivative was established in 2017 to mitigate the risk of rising future interest rates. Fair value of the derivative product is calculated as the present value of the future cash outflows and inflows relating to the derivative arrangement. Based on interest rates at March 31, 2023, the present value of cash inflows is greater than the cash outflows.

6. FISCAL AGENCY LOAN

Fiscal Agency Loan - Legacy

InBC Investment Corp. assumed responsibility for all obligations of the BCIF when the Corporation was established under the *InBC Investment Corp. Act* on May 20, 2021. On March 31, 2017, the BCIF entered into a short-term borrowing facility with the Minister of Finance. The maximum principal amount of the facility is \$80 million. The contract was fully executed June 7, 2017. The purpose of the short-term borrowing facility is to fund venture capital commitments from BCRCF and operating expenses of InBC. The Corporation first accessed the short-term financing on October 15, 2018. At March 31, 2023, the interest rate on this legacy fiscal agency loan is 4.37%.

Fiscal Agency Loan – InBC Investment Corp.

On November 28, 2022, the Corporation entered into a borrowing facility with the Minister of Finance. The maximum principal amount of the facility is \$500 million. The purpose of the borrowing facility is to fund strategic investments as set out by the *InBC Investment Corp. Act*. The Corporation first accessed the financing on December 1, 2022. At March 31, 2023, the interest rate on the statutory fiscal agency loan is 4.40%.

7. TANGIBLE CAPITAL ASSETS

Cost	Software - 2023	Software - 2022
Beginning balance	-	-
Additions	38	-
Year-end balance	38	-
Accumulated Amortization		
Beginning balance	-	-
Additions	-	-
Year-end Balance	-	-
Net Book Value	38	-

8. RISK MANAGEMENT

The investment activities of the Corporation expose it to a variety of financial risks including credit risk, market risk (which includes currency risk, interest rate risk and other price risk) and liquidity risk.

Credit Risk

Credit risk is the risk associated with the inability of a third party to fulfill payment obligations. The Corporation is exposed to credit risk in the event of non-performance by a public sector borrower to a maximum value of the

8. RISK MANAGEMENT (Continued)

value of loans receivable. The Corporation assessed this risk when considering loans. An unsecured and general obligation from the public sector institution is judged sufficient to mitigate credit risk.

The Corporation is exposed to credit risk associated with its cash deposits. This risk is mitigated by placing deposits in recognized British Columbia institutions. Credit risk arising from cash deposits is considered negligible.

The Corporation is also exposed to credit risk in the event its returns from the venture capital investments are below cost. The Corporation's investment portfolio diversification is based on an investment strategy developed to generate returns to cover potential losses from its higher risk investments.

Market Risk (Currency Risk, Interest Rate Risk and Other Price Risk)

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Corporation is exposed to foreign currency exchange risk because of its investments in US venture capital funds and commitments made in US dollars.

Through the Corporation's venture capital investments, the Corporation has a total of \$13.4 million USD (2022: \$375 thousand USD) remaining in venture capital commitments and holds \$10.2 million USD in venture capital investments (2022: \$8.6 million USD). Returns generated from investments in these venture capital funds will be in US dollars. The timing and value of returns from these investments cannot be reasonably estimated and so the impact of currency rate fluctuations can also not be estimated.

The Corporation has also made agreements for software licenses where payment is made in US dollars. These total \$141 thousand (2022: \$0). At March 31, 2023, currency risk is negligible as the Corporation has sufficient cash and financing available to satisfy commitments made.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in market interest rates will affect future cash flows or fair values of financial instruments. The Corporation is exposed to interest rate risk through its invested cash and fiscal agency loans. The Corporation has invested its funds in loans receivable with fixed rate returns and investments with the Central Deposit Program on a floating rate basis.

If the Corporation were to have experienced a 1% change in the interest rate earned this would have impacted interest income in the approximate amount of \$0.1 million (2022 - \$0.2 million) calculated as 1% of the average book value of investments throughout the year.

The Corporation is also exposed to interest rate risk through the unhedged portion of the fiscal agency loan borrowings. The unhedged portion is subject to refinancing at prevailing market interest rates. As a result, interest expense will fluctuate based on market interest rates and the amount borrowed. The Corporation manages its exposure to interest rate by hedging future cash borrowings by entering into a Derivative Product Transaction Agreement where the Corporation will pay a fixed rate of interest instead of the variable rate of interest at the time financing is required.

8. RISK MANAGEMENT *(Continued)*

Other Price Risk

Other price risk is the risk that the market value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Corporation is exposed to other price risk through its venture capital investments. Venture capital investments carry a high risk; however, the Corporation mitigates the risk by utilizing the expertise and skills of institutional venture capital managers with a track record of commercial returns.

Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities. In connection with the Corporation's ongoing financing of operations including refinancing risk, management aims to ensure adequate liquidity of investments. The Corporation manages its liquidity risk by placing deposits in cash and extremely liquid negotiable instruments.

The Corporation is also exposed to liquidity risk associated with the venture capital investments. The Corporation cannot readily sell the investments. As the Corporation invests in early-stage venture capital investments that have a limited history of operations and whose business activities tend to be speculative, there is no assurance that such investments will provide positive future cash flows. The Corporation attempts to manage liquidity risk by utilizing the expertise and skills of institutional venture capital managers with a track record of commercial returns.

9. COMMITMENTS

The Corporation has commitments in both CAD and USD to invest as a Limited Partner in certain venture capital funds. Commitments as a Limited Partner made after the *InBC Investment Corp. Act* came into force are identified as InBC commitments, prior commitments are identified as Legacy. The following table summarizes the total investment commitments, transfers made to date and total investment commitments remaining:

	InBC	Legacy	2023	2022
Total USD investment commitments (USD)	14,803	38,987	53,790	38,987
USD investment commitments transferred to date (USD)	(1,766)	(38,652)	(40,418)	(38,612)
Remaining USD investment commitments (USD)	13,037	335	13,372	375
Remaining USD investment commitments translated to CAD	17,643	453	18,096	469
Total CAD investment commitments	15,000	151,000	166,000	151,000
CAD investment commitments transferred to date	(2,373)	(125,997)	(128,370)	(116,726)
Remaining CAD investment commitments	12,627	25,003	37,630	34,274
Aggregate remaining investment commitments	30,270	25,456	55,726	34,742

INBC INVESTMENT CORP.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023
(tabular figures in \$000)



9. COMMITMENTS (Continued)

The Corporation has entered into contractual arrangements to lease office space in Vancouver. The Corporation also has operational commitments for software licenses, data subscriptions and operational agreements. These contractual obligations will become liabilities in the future when the terms of the contract are met. Disclosure relates to the unperformed portion of the contracts:

	2024	2025	2026	2027
Property Lease	286.3	297.6	297.6	124.0
Other operational commitments	159.2	90.9	20.0	-
Total	445.5	388.5	317.6	124.0

10. RELATED PARTY TRANSACTIONS

The Corporation is related through common ownership to all Province of British Columbia ministries, agencies, Crown corporations and all other public sector organizations. The Corporation's related parties also include key management personnel which include the directors, and senior management of the Corporation. Transactions with these entities and individuals are in the normal course of operations and are recorded at the exchange amount. Assets and liabilities with related parties include:

	2023	2022
Cash (CDP)	4,691	5,719
Loans receivable (Note 3)	5,764	8,754
Derivatives (Note 5)	36	(82)
Fiscal Agency Loans (Note 6)	20,571	18,997
Due to Related Parties	437	146

The consolidated statement of operations includes the following transactions with related parties:

	2023	2022
Interest Income	382	216
Interest expense	537	266
Board of Director fees	96	73
Facilities	276	197
Office and miscellaneous expenses	104	48
Professional fees	31	61
Salaries, wages and benefits	1,964	562

11. SEGMENTED INFORMATION

Segmented information is provided to differentiate between the results from operations relating to legacy operations that were in place at the time the *InBC Investment Corp. Act* came into effect.

InBC Operations: InBC Operations reports the revenues and expenses recognized for the purposes of the Corporation, as described in Section 4 of the *InBC Investment Corp. Act*:

The purposes of the corporation are as follows:

- a. to make investments that achieve a financial return;
- b. to make investments that support the social, economic and environmental policy objectives of the government.

InBC Operations reports the results of investments made for the purposes of the corporation under *InBC Investment Corp. Act*, and reports the expenses associated with administering those investments, including the costs of salaries and benefits, operations, and financing the costs associated with the InBC Investment Corp. Fiscal Agency Loan.

Legacy Operations: Legacy Operations reports the revenues and expenses associated with investments that were made under agreements that were in place before the *InBC Investment Corp. Act* came into force on May 20, 2021. This segment reports interest income from loans made to government entities under the Immigrant Investor Program, Venture Capital Investment Income from Portfolios 1 and 2, and the costs associated with administering those investments, including investment fees and interest costs from the Legacy Fiscal Agency Loan.

The following is a summary of revenues and expenses by segment:

	InBC Operations	Legacy Operations	2023 Total	2022 Total
Revenues:				
Venture Capital Investment Income	-	673	673	6,590
Interest Income	-	382	382	376
	-	1,055	1,055	6,966
Amortization of promissory note discount	-	-	-	16
Board of Director fees	96	-	96	73
Facilities	276	-	276	197
Interest expense	53	484	537	266
Investment fees	-	400	400	217
Office and miscellaneous expenses	360	-	360	76
Professional fees	532	-	532	292
Realized investment loss	-	4	4	204
Salaries, wages and benefits	2,272	-	2,272	562
Expenses	3,589	888	4,477	1,903
Annual Surplus / (Deficit)	(3,589)	167	(3,422)	5,063

12. EMPLOYEE FUTURE BENEFITS

The Corporation and its employees contribute to the Public Service Pension Plan, which is a multiemployer jointly trusted plan. The plan is a defined benefit plan, providing pension on retirement based on the member's age of retirement, length of service and highest earnings averaged over five years. The board of trustees of the plan represents plan members and employers and is responsible for the management of the plan including investment of the assets and administration of the plan. The most recent actuarial valuation for the Public Service Pension Plan as at March 31, 2020 indicated a \$2,667 million funding surplus for basic pension benefits on a going concern basis. As described in Note 2, the plan is accounted for as a defined contribution plan. For the year ended March 31, 2023, the Corporation paid \$170,793 (2022 - \$22,642) for employer contributions to the plan.

13. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the 2022/23 Service Plan approved by the Board Chair in February 2022.

14. COMPARATIVE INFORMATION

Certain comparative figures have been reclassified in order to provide presentational consistency with the current year.

Schedule of Debts

1. FISCAL AGENCY LOAN

On March 31, 2017, the Corporation entered into a short-term borrowing facility with the Minister of Finance. The maximum principal amount of the credit facility is \$80 million. The contract was fully executed June 7, 2017. The purpose of the short-term borrowing facility is to meet all capital call commitments and repayment obligations to the Federal Government. The Corporation began accessing the short-term borrowing facility on October 15, 2018 in order to meet its capital call and repayment obligations. At March 31, 2023, the interest rate on the short-term borrowing facility is 4.37%. The balance of the short-term borrowing facility at March 31, 2023 was \$16,167,376.68.

On November 28, 2022, the Corporation entered into a second borrowing facility with the Minister of Finance. The maximum principal amount of the facility is \$500 million. The purpose of the borrowing facility is to fund strategic investments as set out by the *InBC Investment Corp. Act*. The Corporation first accessed the financing on December 1, 2022. At March 31, 2023, the interest rate on the statutory fiscal agency loan is 4.40%. The balance of the fiscal agency loan at March 31, 2023 was \$4,404,242.33

Schedule of Guarantee and Indemnity Agreements

InBC Investment Corp. has given indemnity to the following:

- Raven Indigenous Impact Fund II, L.P.
- Evok Fund II, L.P.
- Yaletown Innovation Growth Fund II, L.P.
- Amplitude Ventures Fund II, L.P.
- Equality Fund Gender Lens Investing Research Terms & Conditions
- Pinnacle Tax Portal Terms & Conditions
- Donnelly Financial Services Data Room Terms & Conditions.

InBC Investment Corp.'s subsidiary, BC Renaissance Capital Fund Ltd (BCRCF) holds a portfolio of venture investments. Accordingly, BCRCF has entered into the following partnerships:

- ARCH Venture Fund VII, L.P.
- Azure Capital Partners III, L.P.
- iNovia Investment Fund III, L.P.
- Tandem Expansion Fund I, L.P.
- Vanedge Capital I, L.P.
- VantagePoint Clean Tech Ventures II, L.P.
- VantagePoint Venture Partners 2006 (Q), L.P.
- Yaletown Ventures II, L.P.

INBC INVESTMENT CORP.

Statement of Financial Information at March 31, 2023



- BC Tech Fund, L.P.

The corporation believes that no liabilities relating to its indemnities exist at March 31, 2023.

Schedule of Remuneration and Expenses

1. Remuneration and expenses of board members

Board Member	Remuneration	Expenses
Bergeron, C	-	-
Campbell, K	-	-
James, C	14,923	809
Leong, I	20,367	-
Lougheed, G	18,398	50
Ivanova, I	18,211	-
Plecas, B	-	-
Trottier, S	23,211	-
Wood, H	-	-
	95,110	859

2. Employees with remuneration and expenses exceeding \$75,000.

Employee	Remuneration	Expenses
Chitroda, S	99,204	3,443
Deering, D	117,575	8,563
Earthy, J	264,115	23,364
Lo, C	99,204	5,277
Machin, W	111,844	7,196
Mortimer, D	196,534	13,294
Nguyen, L	247,281	28,923
Sanders, A	86,340	4,219
Wong, S	76,821	7,994
	1,298,918	102,273

3. Total remuneration for employees with remuneration of \$75,000 or less:

	Remuneration	Expenses
Consolidated total of employees with remuneration less than \$75,000	497,244	3,809

4. Reconciliation with operations statement (in '000s)

Total remuneration of the board (in '000s)	96
Board travel and other expenses not included in above	-
Board of Director fees in Statement of Operations	96
Total remuneration of employees (in '000s)	1,796
Receiver General for Canada (CPP, EI)	94
Vacation carryover, pension and changes in accrued payroll liabilities	382
Salaries, wages and benefits in Statement of Operations	2,272

5. There were no severance agreements during the fiscal year.

Schedule of Supplier Payments

6. Alphabetical list of suppliers who received aggregate payments in excess of \$25,000 (in \$000s)

Supplier Name	Aggregate Amount
BC Pension Corporation	311
Bennett Jones LLP	31
DealCloud Inc.	102
Deloitte LLP	126
Grant Thornton LLP	27
Kensington Capital Advisors	210
Kollectively Business Strategy Inc.	66
Lee Hecht Harrison Knightsbridge Corp.	42
Ministry of Citizens Services - Real Property Division	290
Ministry of Citizens Services - Technology Solutions Division	71
Ministry of Finance - Debt Management Branch	507
MNP Digital	112
Norton Rose Fulbright Canada LLP	47
Pitchbook	50
Alison Napier dba Ripple Solutions	43
Total of aggregate payments exceeding \$25,000 paid to suppliers	2,035

7. Consolidated total paid to suppliers who received aggregate payments of less than \$25,000 (in \$000s)

Consolidated total of payments of \$25,000 or less paid to suppliers	306
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8. Reconciliation to Financial Statements (in \$000s)

Total of aggregate payments in exceeding \$25,000 paid to suppliers	2,035
Consolidated total of payments of \$25,000 or less paid to suppliers	306
Reconciling item: payments to board members not included above	96
Reconciling item: capitalized amounts included above	(96)
Reconciling item: debt service costs not included in payments above	30
Reconciling item: employee remuneration and expenses not included above	1,873
Reconciling item: adjustments for year-end accruals and prepaid expenses	233
Total Expenses per Consolidated Statement of Operations	4,477