



SUSTAINABLE DEVELOPMENT
TECHNOLOGY CANADA

TECHNOLOGIES DU DÉVELOPPEMENT
DURABLE CANADA

INNOVATION HAPPENS HERE:

**The drive
to commercialize
Canada's sustainable
technologies**



**ANNUAL REPORT
2021–2022**



Getting Canada to net-zero emissions by 2050 will require a massive technological shift in every sector of our economy. Canadian innovators are developing the solutions needed to achieve this transformation, but these solutions will only make an impact if they are successfully commercialized — a process that can take up to 15 years.

In 2021–2022, we at Sustainable Development Technology Canada (SDTC) worked to accelerate that timeline by expanding our supports for diverse, high-potential companies and by growing the ecosystem required to drive the **commercialization of sustainable technologies**.



CONTENTS

SDTC AT **A GLANCE**

4

SDTC's Funding Streams

How we evaluate
companies for funding

2021–2022 year in review

MESSAGE FROM **THE CHAIR**

8

MESSAGE FROM THE **PRESIDENT & CEO**

10

GETTING **INNOVATIONS** TO MARKET

12

EXPANDING **THE ECOSYSTEM**

16

Powered by partners and people

More than funding

DRIVING **INNOVATION** THROUGH DIVERSITY

18

2021–2022 **PERFORMANCE** AGAINST STRATEGIC OBJECTIVES

20

2022–2023 CORPORATE GOALS: **LOOKING TO THE FUTURE**

26

FINANCIAL **STATEMENTS**

28

Independent auditor's report

GOVERNANCE AND **COMPENSATION**

40

Governance

Compensation

APPENDIX: **2021–2022** PROJECTS

42

SDTC AT A GLANCE

Sustainable Development Technology Canada (SDTC) helps Canadian companies develop and deploy sustainable technologies by delivering critical funding support and promoting the development of a robust Canadian ecosystem that supports innovation.

We do this by:

- ▶ **Funding the development and demonstration**
of new environmental technologies
- ▶ **Fostering and encouraging collaboration**
among organizations in the private sector, academia, the not-for-profit sector and others to develop and demonstrate new technologies
- ▶ **Promoting the timely diffusion of new technologies**
across key economic sectors in Canada

SDTC's Funding Streams

SEED FUNDING

Seed funding provides early-stage company founders with a one-time grant of \$50,000 to \$100,000 to validate an idea. Companies must be nominated by one of SDTC's 70 accelerator partners and have raised \$100,000 to \$200,000 from accredited investors.

START-UP FUNDING

Start-up funding is a non-dilutive grant between \$2 million and \$5 million paid out over five years based on performance. Companies apply to SDTC directly and must have a well-defined project, a line of sight to financing, be engaged in discussions with potential customers, and be working with customers to test the viability of their business models.

SCALE-UP FUNDING

Scale-up targets advanced, high-growth companies with records of success that are looking to grow, strengthen their competitive advantage or unlock a larger customer base.

NEXTGEN BIOFUELS FUND

The NextGen Biofuels Fund concluded its disbursement period in March 2017. It was established to support first-of-kind demonstration-scale facilities for producing next-generation renewable fuels. The Fund will continue to administer the remaining two active projects until September 30, 2027.

How we evaluate companies for funding

- ▶ Environmental benefits
- ▶ Technology readiness level (TRL)
- ▶ Business plan and path to market
- ▶ Strength of technology innovation
- ▶ Management capability
- ▶ Financial strength



2021–2022 year in review

271

total active projects¹

Approvals increased by

15.8%
vs prior year

Application to contracting time reduced by

6.2%
vs prior year

More than 750

inquiries received in 2021–2022

64

Seed projects



45

start-up projects & scale-up projects



109

new projects approved in 2021–2022

\$1.53 billion

SDTC funding to sustainable technology projects

Total funding by sector since inception²



Agriculture

\$157 million



Energy exploration and production

\$247 million



Energy utilization

\$406 million



Forestry, wood products, pulp and paper

\$81 million



NextGen Biofuels

\$81 million



Power generation

\$205 million



Transportation

\$172 million



Waste management

\$179 million

¹ Total number of projects pending contract or under contract as of March 31, 2022.

² Numbers and dollar figures shown refer to the period 2001 to March 31, 2022.



SDTC portfolio value³

\$1.53 B

of SDTC funding to projects



\$3.84 B

through public and private
sector investment

= \$5.37 B total portfolio value



\$10.25 B

estimated total follow-on financing generated
by SDTC-funded companies since 2001

Economic and environmental impacts



\$3.1 B

Estimated Annual
Revenues attributable
to SDTC supported
technologies⁴



20,942

estimated **total jobs** (direct
and indirect) attributable
to SDTC-funded projects



4,012

new jobs created
in 2021–2022



194

technologies deployed
and generating
environmental benefits⁵

139

showing **GHG emission
reduction benefits**

72%

showing **multiple
environmental benefits**

\$290.5 M

estimated **annual costs avoided**
due to air quality, clean water
and clean soil benefits generated
by SDTC-supported technologies



22.6 megatonnes

CO₂e estimated **annual GHG
emissions reduction** attributable
to SDTC-supported technologies

**Equivalent to taking almost 7 million cars
off the roads every year**

³ Based on the total number of projects pending contract, under contract or completed as of March 31, 2022.

⁴ Estimated annual revenues are updated annually based on best available data on firm revenue.

⁵ Total number of project technologies that are actively affecting GHG emissions, clean air, clean water or clean soil.



MESSAGE FROM THE CHAIR

As a result of its national reach, SDTC has the privilege of seeing firsthand the innovation happening in communities large and small across this great country. From Newfoundland and Labrador, all the way to Vancouver Island, entrepreneurs are coming up with solutions to some of our most pressing environmental problems.

As they do, they are creating economic benefits for their communities. Creating highly skilled jobs. Offering alternative solutions that are not only more sustainable, but also more cost-effective and more energy efficient.

Despite the challenges of the pandemic, the growth of the companies in our portfolio over the past year is truly exciting. We saw many make that critical first sale. We saw companies build new facilities or expand here in Canada, creating highly skilled Canadian jobs. We saw some even go global, expanding into international markets and successfully taking on challengers from all over the world.

As the planet grapples with the impacts of a changing climate, pollution, biodiversity loss and a myriad of other challenges, the importance of our mandate to deliver environmental and economic prosperity for Canada has never been stronger. Over the last year, with the support of subject matter experts, our Board moved to modernize our approach to assessing environmental benefits in three sustainability impact areas: climate change; the circular economy; and people, communities and nature.

Understanding that the best technology in the world will not make a difference if cannot be successfully commercialized, in 2021–2022 we deepened our research capacity and due diligence approaches, beginning a journey toward a more holistic way of assessing applicant companies and their ideas, and further accelerating our investments strategy.

It has long been my firm belief that diversity is a key driver of success for any company. If we want to truly move the needle on fostering sustainable innovation in Canada, we need to support companies led by people who look like Canada. Building on SDTC's 2020 pledge to the [50–30 Challenge](#) to advance gender parity and increase diversity on our board and senior management team, we are taking our commitment even further, with a strategy to attract greater diversity to our portfolio, including a target of 25% of women-led firms. We are also committed to helping our companies build greater diversity into their management and governance structures as they grow and scale.

SDTC's entrepreneurs are our True North, guiding our strategy to make Canada a leader in sustainable innovation. That is why it was heartening to see the results of the trust and reputation survey conducted by Edelman Canada last year. Among portfolio companies, SDTC scored 97 out of 100 for both trust and overall favourability, showing that the organization does what it says – and does it well. By making sure entrepreneurs have the resources they need, SDTC frees them to focus on what they do best: driving innovation and delivering new solutions to critical issues.

I want to thank SDTC President and CEO Leah Lawrence for another year of inspiring leadership under difficult circumstances. I also extend my appreciation to the Board of Directors for their dedication and commitment to this vital work. I look forward to continuing to work together to support Canadian entrepreneurs as they develop and deploy the technologies that will make Canada a greener and more prosperous country.

Annette Verschuren
Chair



IT HAS LONG BEEN MY FIRM BELIEF THAT DIVERSITY IS A KEY DRIVER OF SUCCESS FOR ANY COMPANY.”



MESSAGE FROM THE PRESIDENT & CEO

2021–2022 marks my sixth year as President and CEO of SDTC. Recently, I was asked “What is SDTC’s secret sauce?” The answer can be summed up in a single sentence: **It’s all about the companies.**

Every day, we challenge ourselves to look at the world through the entrepreneurs’ eyes. Who are their customers? Their investors? What policies and trends will impact their growth? What do they need to commercialize their ideas and deploy them at scale?

Over the past year, we have continued to transform to better meet entrepreneurs where they are at. To invest not just in projects, but in companies’ futures. In 2021–2022 we continued to increase the number of companies we work with, while reducing administration and processing times from application to first cheque, moving at the speed of business to help companies seize the opportunities of a net zero future.

The pace of innovation in sustainable technologies is growing exponentially. Last year, Lux Research reported US\$5.5 billion in venture capital funding in the climate tech sector in the United States. Our portfolio showed similar results, with our companies collectively raising close to CA \$3 billion – roughly the same amount as the previous three years combined.

This is very encouraging, but the clock is ticking. Climate commitments call for halving global greenhouse gas emissions by 2030 and reaching net zero emissions by 2050.

To achieve these targets, every sector of the economy will have to transform. And a recent report by the International Energy Agency suggests that only half of all the technologies needed to achieve this transformation exist today.

Historically it has taken on average 13 to 15 years for SDTC companies to commercialize their technologies. To seize this current moment, companies need to move further and faster to bring to market the solutions that will achieve material progress toward net-zero emissions and other global sustainability challenges. It will take more than just funding, but a whole ecosystem of support to help address the many challenges that come with growing a business.

Over the past year, we have been thinking about how to build and strengthen local ecosystems while also connecting them nationally. This will help us reach more entrepreneurs than ever before, in all sectors and all regions of the country. We have also expanded our approach, going beyond funding to provide post-investment services and insights that will help entrepreneurs throughout their journey from seed through scale-up and beyond.



IN THE END, IT'S ALL
ABOUT THE COMPANIES.
AND SDTC IS WITH THEM
EVERY STEP OF THE WAY."

I have never been more positive that we are on the cusp of transforming Canada's environmental and economic prosperity. But success will require singular focus on getting a critical mass of companies to scale, commercialization and profitability.

It will require doing things differently, but that is precisely what our companies do every day. In the end, it's all about the companies. And SDTC is with them every step of the way.

I would like to thank our employees and leadership team for their tireless work over the past year in helping our companies go further, faster. I would also like to thank our Chair, Annette Verschuren, and the rest of SDTC's Board of Directors for their continued vision and guidance. Finally, I would like to thank our entrepreneurs, who inspire us every day as they build a better tomorrow.

Leah Lawrence
President & CEO



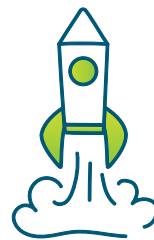
GETTING INNOVATIONS TO MARKET

SDTC's mission is to look for companies with transformative environmental and economic potential and help them harness this potential across a continuum of funding, from seed to start-up to scale-up. We invest not just in projects, but in a company's future.

For us, funding marks the beginning of our relationship with a company—one that continues as they grow and scale their business. In 2021–2022, our funding across the continuum from seed to start-up to scale-up helped hundreds of firms advance toward their goals of market entry, while recognizing that it takes an ecosystem of investors, customer, and public institutions to help companies grow and scale here at home.

More portfolio companies than ever before moved from one funding stage to the next last year. Around 20% of seed companies have now graduated to the start-up stage, and we continue to see start-up and scale-up companies progress and grow their businesses as they advance from start-up funding to scale-up funding. We also identified two high-growth companies with potential to become global champions, and provided further funding to accelerate the commercialization of their innovation platforms.

Our due diligence and disciplined approach serve as a springboard to help companies unlock future investments, customers and supports. This springboard is critical for Canadian entrepreneurs as they look to take advantage of the exponential growth in private equity appetites for climate technologies. 2021–2022 marked a record year for many of our portfolio companies, which secured, in aggregate, nearly \$3 billion in follow-on funding— as much as the three previous years combined.



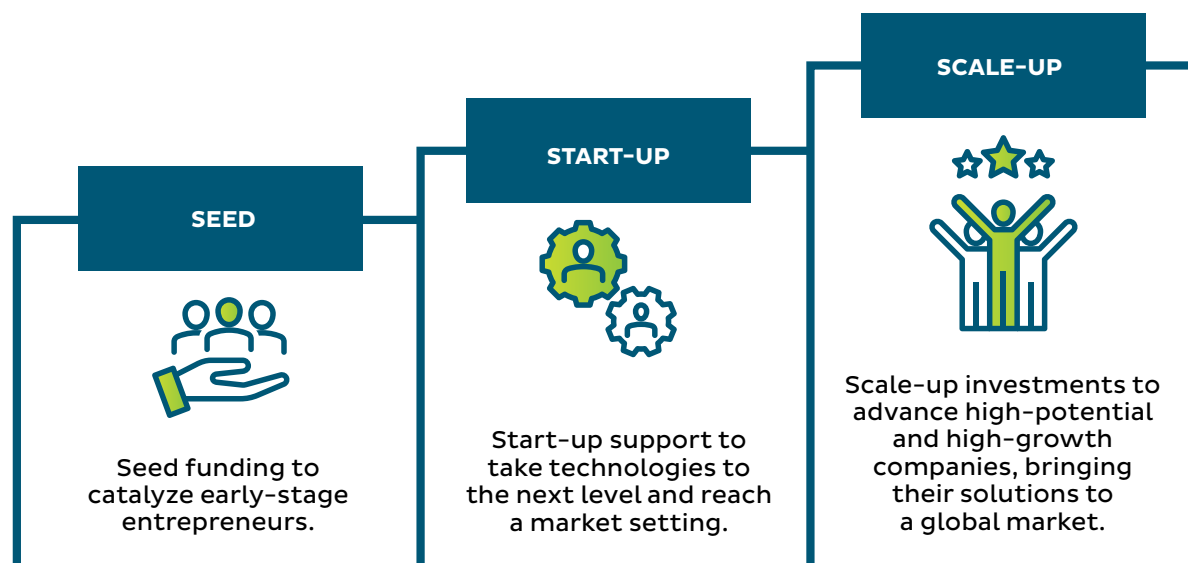
20%

of seed companies
funded since 2019
graduated to the
start-up stream
last year.

While funding is critical, it takes more than just funding to get a new company off the ground. To better understand the needs of young, innovative companies, last year we continued to expand our Portfolio Insights team, which collects and analyzes data about the businesses in our portfolio, the people

who run them and what they need to succeed. Based on these insights, and regular feedback from our funded companies, continued to refine our approach, providing post-investment supports to address their needs along the journey to commercialization.

FIGURE 1: From seed to start-up to scale-up we move at the speed of business to support companies at all stages of their commercialization journey.



LIGHTING THE WAY TO FOOD SECURITY SOLLUM TECHNOLOGIES



SCALE-UP

SDTC's investment of \$2.5 million helped Montreal-based Sollum Technologies progress from start-up to scale-up in 2022 and will support a new demonstration project to grow greenhouse tomatoes in Canada more sustainably. Sollum's leading-edge smart LED lighting solution allows growers to recreate any spectra of the Sun's natural light cycles from any region of the world with unparalleled precision, it enables year-round cultivation of any produce regardless of the location of the greenhouse. Sollum used its original start-up funding from SDTC to grow Canada's first commercial crop of winter peppers in 2021. Greenhouse operators in Canada, the United States and the Netherlands have all chosen Sollum's award-winning solution. The company signed, in 2021, a memorandum of understanding with Ecoation Innovative Solutions in Vancouver, a fellow SDTC portfolio company, to explore an integrated solution to further enhance greenhouse operations.

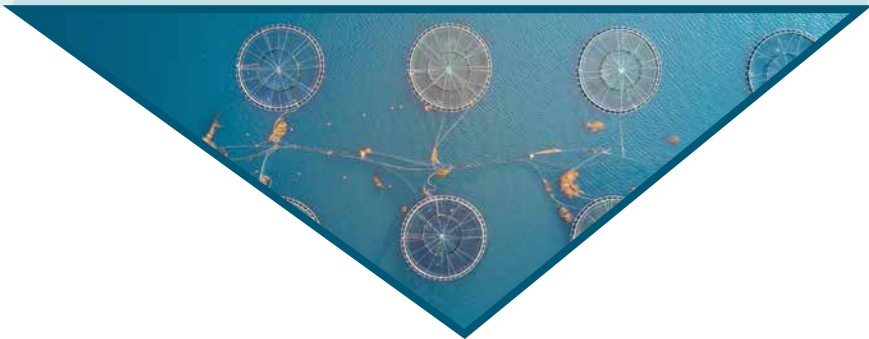


INTELLIGENT MANAGEMENT FOR LAND-BASED FISH FARMS REELDATA



START-UP

Since receiving its first seed funding investment from SDTC in 2020, Halifax-based ReelData AI has raised \$2.5 million in follow-on financing, grown from five employees to 32, and forged partnerships with some of the world's biggest land-based aquaculture firms. ReelData's suite of aquaculture management software tools uses artificial intelligence to optimize how fish producers feed their fish and monitor their health, weight and stress levels, so they can produce healthier fish at lower cost. Today, their software is being used across the globe.



MORE POWER FOR AN ELECTRIFIED WORLD

GaN SYSTEMS



SCALE-UP

In business since 2008, Ottawa-based GaN Systems is a global leader in GaN (Gallium Nitride) power semiconductors and was named last year by Deloitte as one of the fastest-growing companies in North America. Scale-up funding from SDTC allowed GaN to demonstrate one of many use cases of its award-winning technology—for smaller, faster and more efficient power electronics compared to traditional silicon-based equipment. GaN Systems are used to power data centres, audio systems, electric vehicles and more, with global players including BMW, Dell, Siemens, Toyota, and Samsung.



EXPANDING THE ECOSYSTEM

Discovering and nurturing innovation requires an ecosystem — of investors, customers, and public institutions — that are committed to generating economic and environmental prosperity for Canada. At SDTC, we grew our network of partners last year — and our own national footprint — to connect with more emerging innovations sooner. We also brought together key players needed to help more Canadian entrepreneurs get to scale here at home.

Powered by partners and people

Within the Government of Canada, we continued to build our relationships with EDC, BDC and Global Affairs Canada — giving our portfolio companies more avenues to follow-on financial support and greater access to global markets. We also continued with our one-window approach to support companies through collaborations with the Strategic Innovation Fund, the Clean Growth Hub, provincial funders and select superclusters.

Inside SDTC, we grew our own team, onboarding 21 new employees and 12 students for greater capacity to support companies from coast to coast to coast. In our remote-first work environment, these employees are spread across the country, giving us a truly national reach that brings us closer to more innovators. Adding to our roster of seed funding jurors and expert reviewers also expanded our ability to support technology commercialization.

More than funding

We continued to strengthen and expand our work with the Innovation Asset Collective to help companies identify and protect their valuable intellectual property (IP), fast-tracking their membership in the Collective for access to critical information and guidance.

Recognizing that strong board governance is key to company success, we collaborated with the Council of Canadian Innovators in the launch of their iGP governance training. This executive leadership program is training current and future board members in key areas of importance in the intangible economy. Last year, eight of our portfolio companies received this training.



we worked with

70

accelerator partners
across the country to
seek out more innovation
in more places.

EMISSIONS REDUCTION THROUGH CONTINUOUS MONITORING QUBE TECHNOLOGIES



START-UP

In 2021–2022, Qube Technologies' emissions monitoring solution became the first continuous monitoring system to receive regulatory approval in North America. Unlike traditional monitoring solutions, which operate intermittently and provide only a snapshot of a moment in time—potentially allowing leaks to go unnoticed for months between inspections—Qube's continuous solution alerts users immediately of any leaks. With a start-up investment from SDTC, the Calgary-based company is working with partners across the globe to deliver its ground-breaking technology. With SDTC support, Qube broadened its scope of field demonstrations, proved the technology to consortium partners who expanded the number of sites monitored, and enticed new clients to engage. The company now has deployed its solution across hundreds of operating sites in the United States, Canada, and the Middle East.



SUPPORTING A FARMER-LED APPROACH TO NATURE-BASED SOLUTIONS

ALUS



ECOSYSTEM PILOT

ALUS is a highly entrepreneurial Canadian not-for-profit organization focused on helping farmers and ranchers build nature-based solutions on their land through ground-up, community-based programs that produce, enhance and maintain ecosystem services.

Although rural Canada is highly impacted by climate change, farmers are often left out of the sustainability conversation. ALUS offers a local, community-based approach to resilience that is tailored to individual farm needs. Using the power of tight-knit communities, ALUS brings farmers, municipalities and stakeholders together to propose projects that will help restore wetlands, improve soil health and enhance biodiversity. Through these projects, ALUS helps create more resilient farms and communities.

SDTC's \$5 million investment in ALUS will support the organization as they expand their reach into six new communities across Canada. It will also enable ALUS to build out their ecosystem services quantification models with the assistance of world-leading experts and researchers. This work has the potential to benefit the broader dialogue around sustainability impact measurement and is expected to lead to a network of demonstration sites where innovative technologies in regenerative agriculture and nature-based solutions can be tested.



DRIVING INNOVATION THROUGH DIVERSITY

Diversity has long been shown to be a key driver of real innovation — enriching ideas and bringing fresh perspectives to solve complex problems. In 2021–2022, SDTC continued its efforts to increase the diversity of its portfolio and the organization.

We continued to increase the number of women-led firms across our portfolio last year. Sixteen percent of our start-up and scale-up companies — and 41% of our seed companies — were women-led in 2021–2022. This is the result of concerted effort over several years to reduce barriers for women, and of urging our accelerator partners to seek out and nominate women-led companies for funding.

Representative of our country

We also continued to grow our support for and engagement with other under-represented groups last year. Through our work with Saskatchewan Indian Institute of Technology (SIIT), we're helping increase opportunities for Indigenous entrepreneurs. We have also developed a new framework to evaluate Indigenous participation and partnerships as part of our due diligence process.

Building on our 2020 commitment to the 50–30 challenge, which encourages organizations to reach 50% gender parity and 30% representation from under-represented groups, in 2021, we kicked off a research process to better understand the diversity within our clients' management teams and boards of directors. This initial snapshot will provide a baseline for the development of strategies to further increase diversity and inclusion throughout our portfolio.

These efforts were reinforced by equity, diversity and inclusion training that SDTC employees and external review partners undertook. This training has helped our team become more aware of potential biases and learn strategies to mitigate bias.



41%

of our seed funding
portfolio companies
are led by women.

MAKING RECONCILIATION A PRIORITY CASCADIA SEAWEED

CascadiaSeaweed
for a healthy planet

SEED

Last year, Cascadia Seaweed received seed funding from SDTC and signed a historic agreement with the Tsawout First Nation, licensing the company to cultivate seaweed in the Tsawout's traditional lands and on their behalf. Located in Sidney, on Vancouver Island, Cascadia is the largest North American producer of cultivated seaweed, and its commitment to sustainability through its pending B Corporation Certification. Along with its environmentally friendly philosophy, Cascadia is also committed to reconciliation, working with the Tsawout to foster a prosperous future in harmony with nature.



THE FUTURE OF SUSTAINABLE URBAN HOUSING INTELLIGENT CITY

Intelligent
City

START-UP

With its first housing factory opened in 2021, Intelligent City, a Vancouver-based company founded by Oliver Lang and Cindy Wilson, has started to design and deliver prefabricated mid-to-high-rise residential and commercial buildings. Using sustainable building materials and a proprietary automated software and manufacturing workflow, Intelligent City offers customizable construction without added cost. Its buildings are also designed to meet Passive House standards, requiring up to 80% less energy to maintain a comfortable temperature than conventional buildings. Start-up funding from SDTC will help Intelligent City expand its operations and commercialize its unique solution, with its first project expected to break ground in Vancouver in 2022.



SOLVING TWO CLIMATE PROBLEMS WITH ONE TEXTILE ALT TEX

A L T
T E X

SEED

With seed funding from SDTC and \$1.5 million in additional investment, woman-led ALT TEX is planning to disrupt the textile industry with a patent-pending, biodegradable and carbon-neutral biosynthetic textile. Using an innovative, closed-loop process to turn food waste into fibres that can be made into sustainable textiles, the Toronto-based company is addressing two of the biggest contributors to global waste and emissions production. It hopes to be able to bring its fabric to clothing brands over the next couple of years and ultimately eliminate polyester from the textile industry.



2021–2022 PERFORMANCE AGAINST STRATEGIC OBJECTIVES

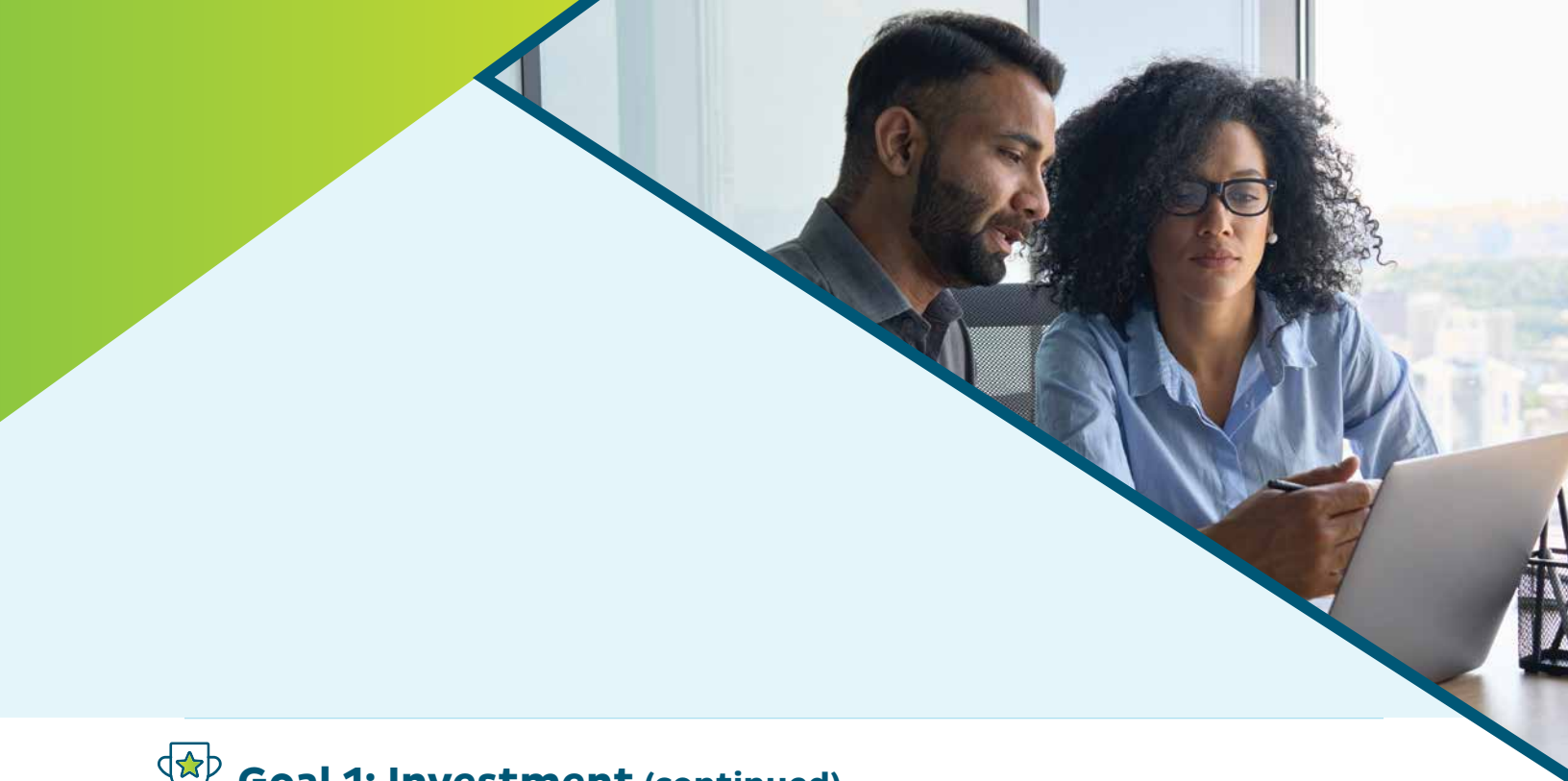
We set four corporate goals for SDTC to pursue over the course of the fiscal year:



Goal 1: Investment

CORPORATE GOALS	ACHIEVEMENTS
<ul style="list-style-type: none">✓ Monitor the resiliency of portfolio firms to better understand emerging challenges and how ongoing disruptions from COVID-19 are impacting outcomes. Design targeted supports, as required.✓ Approve \$150–170 million in new investments with disbursements of \$125 million to funded projects. The distribution of these new investments is anticipated as follows:<ul style="list-style-type: none">○ Seed funding: \$8–10 million○ Start-up funding: \$85–95 million○ Scale-up funding: \$45–55 million✓ Diversify and expand our applicant pool through targeted marketing, outreach and continued implementation of our EDI strategy.✓ Implement an updated approach to environmental and sustainability-focused assessment and outcomes reporting that builds on our strong record of environmental reporting and incorporates global best practices.	<ul style="list-style-type: none">✓ We achieved full implementation of our seed to success funding model, with three streams of funding now helping support companies as they progress along their innovation journey.✓ We provided \$20 million in pandemic recovery funding in March 2021. Ongoing portfolio monitoring continued through the fiscal year.✓ We approved \$176 million in funding (45 start-up and scale-up companies + 64 seed companies).✓ We disbursed \$101 million. This is lower than the \$125 million initially anticipated. COVID-19 impacted companies' ability to progress at the same pace as previous projected.✓ 41% of seed funding firms, and 16% of start-up and scale-up firms approved for funding in 2021–2022 are led by women.





Goal 1: Investment (continued)

CORPORATE GOALS	ACHIEVEMENTS
<p>Growth strategy</p> <p>In 2021–2022, we will work with partners to:</p> <ul style="list-style-type: none">✓ Enable pathways for firms to export into priority international markets.<ul style="list-style-type: none">○ <i>This was not completed, as anticipated government funding was not made available.</i>✓ Enhance cooperation with BDC, EDC, Strategic Innovation Fund and provincial partners to build cross-organizational strategies for leading firms.	<ul style="list-style-type: none">✓ Building on our 2019 market research study, we completed a Trust and Reputation Survey with support from Edelman Data Insights team. Results indicate SDTC benchmarked strongly alongside peers on reputation and demonstrated a high degree of trust with clients.✓ We modernized our approach to assessing environmental benefits in three sustainability impact areas: climate change; circular economy; and people, communities and nature.✓ \$291 million in follow-on financial support provided by BDC and EDC to SDTC portfolio companies in calendar year 2021.✓ We expanded our public funders working group with BDC and EDC to include ISED's Strategic Innovation Fund.





Goal 2: Ecosystems

CORPORATE GOALS	ACHIEVEMENTS
<p>Core goals</p> <ul style="list-style-type: none">✓ Create a leading network of mentors, partners, accelerators and entrepreneurial support organizations to drive the success of our firms.✓ Host our 6th Annual Leadership Summit, with a focus on accelerating firms' post-pandemic growth and creating opportunities for mentorship and ecosystem connections.✓ Pilot a new approach to grow Indigenous entrepreneurship in Canada.✓ Profile the extraordinary work of our portfolio companies to support efforts to attract funding and customers. <p>Growth strategy</p> <ul style="list-style-type: none">✓ Pilot the Integrated Marketplace, a demand-driven approach that will break down barriers and accelerate the procurement and adoption of sustainable innovations in Canada.✓ Pilot new approaches to shared infrastructure for demonstration and piloting.✓ Build capacity in entrepreneurship and technology development in the areas of convergence between environment and health.✓ Strengthen our network of private-sector funders that work closely with SDTC and our public-sector funding partners to fill gaps in the Canadian public-private innovation ecosystem.	<ul style="list-style-type: none">✓ We increased the number of accelerator partners from 52 to 70.✓ In the absence of an in-person summit, we hosted a series of virtual events with external stakeholders targeting the issues companies were facing in a post-pandemic economy.✓ Our pilot initiative with Saskatchewan Indian Institute of Technology to grow Indigenous entrepreneurship in Canada is underway, with first cohort established.✓ We launched our new and expanded marketing strategy, <i>Innovation Happens Here</i>, profiling entrepreneurs' stories from across Canada,✓ We initiated the first project of the Integrated Marketplace pilot through our collaboration with the Regional Public Works Commissioners of Ontario working group. With the first project in progress, a second project is scheduled to start in summer 2022, and five more are in early exploration.✓ We continued to expand relationships, including private sector funders, as we prepare to launch a private equity group in 2022–2023. We initiated discovery sessions with a select group of venture capital and private equity investors in Vancouver, Calgary and Toronto.✓ Recognizing that strong board governance is key to company success, we collaborated with the Council of Canadian Innovators to launch their iGP governance training. So far, eight SDTC companies have received training as part of this effort.● One shared infrastructure project initiative was considered but not approved.





Goal 3: Timely information to inform decision making

CORPORATE GOALS	ACHIEVEMENTS
<p>Core goals</p> <ul style="list-style-type: none">✓ Continue to modernize IM/IT infrastructure and systems to augment our capabilities as a data-enabled organization.✓ Mine the rich financial, environmental and business performance data of funded companies, along with ecosystem data, to provide greater understanding and insights.✓ Support companies as they experiment with data-sharing and other data-centric pilot projects.✓ Collaborate with the Innovation Asset Collective to provide regular, tailored seminars and learning opportunities on intellectual property for our companies.	<ul style="list-style-type: none">✓ We released the first version of our centralized investment management platform for seed projects allowing for two successful rounds of seed funding using a secure, user-friendly and one-window approach while providing a solid foundation to build upon in future years.✓ We focused on quality data collection for meaningful portfolio performance reporting, sector trends and other analysis. We are holding ongoing lookback sessions, including success and failure case analysis.✓ We focused on developing the intellectual property skills and experience of clients in partnership with the Innovation Asset Collective, including fast tracking membership for seed companies and co-hosting peer-to-peer workshops for start-up companies.✓ In collaboration with the Council of Canadian Innovators, we launched governance training for Canada's fastest-growing innovators.✓ We advanced our security platform and continuous training in support of security-minded culture.✓ We completed an intellectual property review of sectors affected by potential predatory behaviour.✓ We gathered CEO insights twice during the year to assess and evaluate the needs of key stakeholders and better understand their rapidly changing environment.





Goal 3: Timely information to inform decision making (continued)

CORPORATE GOALS	ACHIEVEMENTS
Growth strategy <ul style="list-style-type: none"> ✓ Conduct a series of environmental and competitive landscape scans to better understand areas of rapid commercialization. ✓ Benchmark our portfolio against the global competitive landscape. ✓ Conduct intellectual property reviews and use the findings to strengthen the ability of our companies to defend against predatory actions from competitors and non-Canadian investors. ✓ Assess and evaluate the needs of key stakeholders through client surveys to enable better decision making and prioritize actions that will move the needle with employees and portfolio companies. 	<ul style="list-style-type: none"> ✓ We completed two industry deep dives (electric vehicle supply chain and agriculture) to understand competitive landscapes and evolve our portfolio. ✓ We benchmarked our agricultural companies against global peers. ✓ We worked with Statistics Canada to assess our aggregate portfolio against a broader set of small and medium-sized enterprises in Canada. ✓ We compiled aggregate results of a client survey into a peer learning document shared with all CEOs in our portfolio to enable better decision making.



Goal 4: Talent, skills and diversity

CORPORATE GOALS	ACHIEVEMENTS
Within SDTC <ul style="list-style-type: none"> ✓ Continue to keep the health and safety of our employees at the forefront of all that we do by providing employees with the individual support they require. This will keep our team healthy, stable and productive while managing the impacts of COVID-19. ✓ Continue to make meaningful advancements to advance equality, diversity and inclusion within our workplace. ✓ Ensure we continue to have the skills, expertise and culture needed to execute strategic internal and external initiatives. 	<ul style="list-style-type: none"> ✓ Our leadership culture during the pandemic has been focused on continuous engagement with employees and adapting our policies and workplace practices to ensure the wellbeing and productivity of our teams. ✓ We implemented a remote-first work philosophy allowing employees to work where they can be most productive. This philosophy also allows us to hire and retain the right diversity of people and skills regardless of where they are located in Canada and provides flexibility for effective work-life integration.





Goal 4: Talent, skills and diversity (continued)

CORPORATE GOALS	ACHIEVEMENTS
<p>For our clients</p> <ul style="list-style-type: none">✓ Collect diversity data on applicant and portfolio companies to understand the representation and success rates of diverse groups and develop strategies to enhance the inclusion of under-represented groups.✓ Develop new tools to better assess the skills and capability of management teams needed to advance commercialization.	<ul style="list-style-type: none">✓ We enhanced our wellness and benefits offerings and modernized our compensation and incentives frameworks to ensure compensation is within market.✓ We adopted the Government of Canada's 50-30 Challenge as a framework to accelerate diversity actions already taking place in many Canadian companies and to encourage other organizations to adopt equity-improving practices.✓ We implemented an Objectives and Key Results methodology, with frequent touchpoints and performance coaching between leaders and team members, including enhanced learning and development opportunities.✓ We continued to advance EDI within our workplace through team-specific case study sessions and resources building on all-staff training.✓ We have undertaken a review to develop an initial baseline portfolio snapshot of the representation of various diverse populations on leadership teams and boards of our portfolio companies, which will inform next steps on developing strategies to enhance inclusion efforts.✓ We developed and are testing a skills gap matrix, and a management strength and governance dashboard. Our team will use these tools to better assess the skills and capability of applicant management teams.



2022–2023 CORPORATE GOALS: **LOOKING TO THE FUTURE**

In keeping with our mission to enable environmental and economic prosperity for Canada, we struck a task force in 2021–2022 to look at the evolution of environmental priorities in the context of ongoing global discussions on climate change; the circular economy; environmental, social and corporate governance; the pandemic; and sustainable development.

In consultation with external experts and our clients, we moved to modernize our approach to environmental benefits quantification and to focus our efforts in three key evolving priority areas:

- ▶ **Climate change** – Delivering greenhouse gas reductions
- ▶ **Circular economy** – Contributing to the recycling, regeneration and re-use of resources

- ▶ **People, communities and nature** – Promoting well-being for humans and our environment, through sustainable agriculture and food production, clean water and air, resilient communities and cities, and the preservation and regeneration of our natural ecosystems



To support action in these priority areas, we have set the following goals for 2022–2023:



**GOAL 1:
INVESTING
FROM SEED
TO SUCCESS**

Broadening our view of innovations and their potential environmental benefits and expanding our funding focus to fill gaps and meet needs.



**GOAL 2:
CONNECTING AND
SUPPORTING OUR
ENTREPRENEURS
AND INNOVATION
ECOSYSTEMS**

Strengthening supports for early-stage innovators and helping companies looking to scale.



**GOAL 3:
TIMELY
INFORMATION TO
INFORM DECISION
MAKING**

Increasing support for employees through targeted internal training, special projects and cross-functional collaborations, and encouraging development opportunities that focus on business and market analytics and IP in conjunction with partners.



**GOAL 4:
TALENT, SKILLS
AND DIVERSITY**

Building critical skills and expertise in support of our mandate and focusing on the health and wellness of our people.



For more information on SDTC's 2022–2023 core and growth strategies, read the full Corporate Plan at sdtc.ca.



FINANCIAL STATEMENTS

Independent auditor's report

To the Board of Directors of the

Canada Foundation for Sustainable Development Technology – Fondation du Canada pour l'appui technologique au développement durable

Opinion

We have audited the financial statements of the **Canada Foundation for Sustainable Development Technology – Fondation du Canada pour l'appui technologique au développement durable** [the "Foundation"], which comprise the statement of financial position as at March 31, 2022, the statement of operations and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Foundation 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 the financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The signature of Ernst & Young LLP is written in a black, cursive script.

Ottawa, Canada
June 28, 2022

Chartered Professional Accountants
Licensed Public Accountants

Canada Foundation for Sustainable Development Technology – Fondation du Canada pour l'appui technologique au développement durable

STATEMENT OF FINANCIAL POSITION

[Amounts in thousands of dollars]

As at March 31

			2022	2021
	SD Tech Fund \$	NextGen Biofuels Fund \$	Total \$	Total \$
ASSETS				
Current				
Cash [note 3]	7,222	9,439	16,661	24,419
Amounts receivable	3,077	5	3,082	78
Harmonized Sales Tax receivable	101	2	103	109
Interfund receivable [note 4]	44	—	44	43
Prepaid expenses	297	—	297	316
Total current assets	10,741	9,446	20,187	24,965
Investments [note 5]	—	—	—	9,041
Capital assets, net [note 7]	612	—	612	574
	11,353	9,446	20,799	34,580
LIABILITIES AND NET ASSETS				
Current				
Accounts payable and accrued liabilities	9,491	—	9,491	7,407
Interfund payable [note 4]	—	44	44	43
Total current liabilities	9,491	44	9,535	7,450
Deferred contributions				
Expenses of future periods [note 8]	1,862	9,402	11,264	27,130
Total liabilities	11,353	9,446	20,799	34,580
Commitments [note 10]				
Net assets	—	—	—	—
	11,353	9,446	20,799	34,580

See accompanying notes



Canada Foundation for Sustainable Development Technology – Fondation du Canada pour l'appui technologique au développement durable

STATEMENT OF OPERATIONS

[Amounts in thousands of dollars]

Year ended March 31

			2022	2021
	SD Tech Fund \$	NextGen Biofuels Fund \$	Total \$	Total \$
REVENUE				
Recognition of deferred contributions <i>[note 8]</i>	113,051	187	113,238	158,464
Contributions	3,000	—	3,000	—
	116,051	187	116,238	158,464
EXPENSES <i>[notes 12 and 13]</i>				
Governance and communications	3,977	44	4,021	2,433
Investments	4,792	41	4,833	4,320
Ecosystems	1,644	25	1,669	1,463
Corporate services	4,607	77	4,684	4,479
	15,020	187	15,207	12,695
Project disbursements	101,031	—	101,031	145,769
	116,051	187	116,238	158,464
Excess of revenue over expenses for the year	—	—	—	—

See accompanying notes



Canada Foundation for Sustainable Development Technology – Fondation du Canada pour l'appui technologique au développement durable

STATEMENT OF CASH FLOWS

[Amounts in thousands of dollars]

Year ended March 31

			2022	2021
	SD Tech Fund \$	NextGen Biofuels Fund \$	Total \$	Total \$
OPERATING ACTIVITIES				
Excess of revenue over expenses for the year	—	—	—	—
Add (deduct) items not affecting cash				
Amortization of capital assets	150	—	150	293
Recognition of deferred contributions	(113,051)	(187)	(113,238)	(158,464)
Investment income	148	49	197	363
Net change in non-cash working capital balance related to operations	(889)	(6)	(895)	790
Cash used in operating activities	(113,642)	(144)	(113,786)	(157,018)
CAPITAL ACTIVITIES				
Purchase of capital assets	(188)	—	(188)	(229)
Cash used in capital activities	(188)	—	(188)	(229)
FINANCING ACTIVITIES				
Sales of investments – net	—	9,041	9,041	312
Deferred contributions received	97,175	—	97,175	174,193
Cash provided by financing activities	97,175	9,041	106,216	174,505
Net increase (decrease) in cash during the year	(16,655)	8,897	(7,758)	17,258
Cash, beginning of year	23,877	542	24,419	7,161
Cash, end of year	7,222	9,439	16,661	24,419

See accompanying notes



Canada Foundation for Sustainable Development Technology Canada – Foundation du Canada pour l'appui technologique au développement durable

NOTES TO FINANCIAL STATEMENTS

[Amounts in thousands of dollars unless otherwise noted]

March 31, 2022

1. Description of business

Canada Foundation for Sustainable Development Technology – Fondation du Canada pour l'appui technologique au développement durable [the “Foundation”] is a corporation continued under the *Canada Foundation for Sustainable Development Technology Act* [S.C.2001], effective on March 22, 2002.

The Foundation is not an agent of Her Majesty, but is accountable to Parliament through the Ministry of Innovation, Science and Economic Development Canada. The Foundation is a non-taxable entity under paragraph 149(1)(l) of the *Income Tax Act* (Canada).

The Foundation's mandate, governance, operations, performance requirements, accountability and relationship to the Government of Canada are defined in its governing statute and in funding agreements that have been executed by the Foundation and the Minister of Innovation, Science and Economic Development Canada. In this way, the Foundation operates as a fully accountable instrument of the Government of Canada to help provide timely development and demonstration of innovative technology solutions to the nationally important issues of climate change, clean air and water, and soil quality.

The Foundation manages two funds: the SD Tech Fund and the NextGen Biofuels Fund [collectively, the “Funds”], which are further described in this report.

SD Tech Fund

During the year ended March 31, 2022, the Foundation signed another agreement with the Government of Canada to provide an additional \$747 million in funding for the Foundation's activities. As at March 31, 2022, the Foundation has received \$1,219 million in contributions and is eligible to receive an additional \$892 million in contributions, for a total of \$2,111 million [since inception] from the Government of Canada to provide financial support to projects that develop and demonstrate new technologies that have the potential to advance sustainable development, including technologies to address climate change, clean air and water, and soil quality. This support is provided to eligible recipients that comprise either a not-for-profit corporation, or a private sector commercial corporation having established partnerships with one or more of the following: a private sector commercial corporation, a university or college, a private sector research institute, a not-for-profit corporation, or a federal or provincial Crown corporation [or subsidiary] whose role is the provision of resources and/or facilities to the consortium as a subcontractor.

Eligible contributions are to be received based on cash flow requirements up to March 31, 2026. The Foundation receives annual cash flows from the Government of Canada based on projections of future cash outflows in order to provide the funding required to meet project requirements.

With the exception of a reasonable amount reserved for related project monitoring and evaluation, and for wind-up costs, the Foundation will also endeavour to manage and disburse the funds in total by March 31, 2026.

NextGen Biofuels Fund

The NextGen Biofuels Fund provides financial support towards the establishment of first-of-kind facilities that demonstrate production pathways for next-generation renewable fuels at a large demonstration scale. This support is provided to eligible recipients, including for-profit corporations, partnerships, limited partnerships or business trusts with legal capacity in Canada and that have access to expertise in next-generation renewable fuels production pathways. Agreements for financial support to eligible recipients include provisions for repayability from free cash flows of the funded project.

The Foundation has disbursed as at March 31, 2022 [the “disbursement period”] its share of eligible project costs incurred by eligible recipients. With the exception of a reasonable amount reserved for related project monitoring and evaluation, collection of repayments and for wind-up costs, the Foundation shall return any unused portion of the NextGen Biofuels Fund to the Government of Canada at the earlier of the end of the funding agreement on September 30, 2027, and such time or times subsequent to the end of the disbursement period as the Government of Canada may determine.

Effective December 3, 2014, the NextGen Biofuels Fund is no longer accepting applications for financial support.

2. Summary of significant accounting policies

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations [the “Standards”] and reflect the following significant accounting policies. A statement of remeasurement gains and losses and a statement of change in net assets have not been included as they would not provide additional meaningful information.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions whereby contributions, including grants received and interest earned on the invested amounts, are deferred and recognized as revenue in the year in which related expenditures are incurred. A receivable is recognized if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions are restricted for disbursement to eligible sustainable development technology projects and operations of the Foundation, as defined in the Funding Agreements.

Project disbursements

Project disbursements are recognized as expenses when the disbursements of funds are authorized and all eligibility criteria are met.

Capital assets

Capital assets are recorded at cost less amortization, which is calculated on a straight-line basis over the assets’ estimated useful lives using the following annual rates:

Computer hardware	3 years
Computer software	2–5 years
Office furniture and equipment	5 years
Leasehold improvements	Shorter of remaining term of the lease or estimated useful life

When a capital asset no longer contributes to the Foundation’s ability to provide services, its carrying amount is written down to its residual value.



Financial instruments

Financial instruments include cash, amounts receivable, investments, and accounts payable and accrued liabilities.

Financial assets and liabilities are recorded at fair value on initial recognition and are subsequently recorded at cost or amortized cost, with exception of cash, which is measured at fair value. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

The Standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- ▶ **Level 1** – Unadjusted quoted market prices in active markets for identical assets or liabilities;
- ▶ **Level 2** – Observable or corroborated inputs, other than Level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- ▶ **Level 3** – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of hierarchy for which a significant input has been considered in measuring fair value.

The financial instrument recorded on the statement of financial position at fair value is composed of cash and is listed as Level 1.

Expenses

The Foundation classifies expenses on the statement of operations by function. The Foundation does not subsequently allocate expenses between functions, and all expenditures are recorded directly in the function to which they relate.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the year ended March 31, 2022. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known. The most significant estimates used in preparing these financial statements include the estimated useful lives of capital assets and the amount of accrued liabilities.

3. Restricted cash

Included in the cash balance is \$2,471 [2021–\$3,540] in restricted cash provided by third parties to distribute to eligible projects. This cash is not for use by the Foundation for any other means.

4. Interfund balance and transactions

The interfund balance receivable/payable bears no interest and is not governed by terms of repayment. As at March 31, 2022, \$44 [2021–\$43] of operating expenses and allocated staff costs incurred by the SD Tech Fund on behalf of the NextGen Biofuels Fund were outstanding.

5. Investments

Investments consist of the following:

	Level	NextGen Biofuels Fund			
		2022		2021	
		Fair value \$	Amortized cost \$	Fair value \$	Amortized cost \$
Money market	1	—	—	9,041	9,041

Money market investments include term deposits. As at March 31, 2022, accrued interest of nil [2021—\$7] is included in money market investments.

There were no transfers between levels for the years ended March 31, 2022 and 2021.

6. Financial instruments and risk management

Market risk

Interest rate risk

Investment in financial instruments renders the Foundation subject to investment risk. This risk arises from changes in interest rates if investment instruments are withdrawn prior to maturity or should market interest rates increase significantly over those of the investments of the Foundation. The Foundation invests in money market investments, which management considers low risk.

Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices [other than those arising from interest rate risk], whether those changes are caused by factors specific to an individual financial instrument or its issuer, or factors affecting all similar securities traded in the market. The money market investments are a simple term deposit account, established for the purpose of investment, and, as such, the Foundation is not exposed to price risk.

Concentration risk

Concentration risk exists when a significant portion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political or other conditions. Management believes that the investments in money market investments described above do not represent excessive risk.

Credit risk

The risk relates to the potential that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Amounts receivable mainly consist of funds receivable related to sales taxes and government funding; thus, the Foundation has assessed the related credit risk as low. The maximum credit exposure at the Foundation is represented by amounts receivable as presented in the statement of financial position.

Liquidity risk

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations associated with financial liabilities or to meet cash requirements on a timely basis or a reasonable cost. The Foundation manages its liquidity risk by monitoring its operating requirements. The Foundation prepares budgets and cash forecasts to ensure it has sufficient funds to fulfill its obligations.



7. Capital assets

Capital assets consist of the following:

	SD Tech Fund			
	2022			2021
	Cost \$	Accumulated amortization \$	Net book value \$	Net book value \$
Computer hardware	431	378	53	113
Computer software	2,420	1,892	528	380
Office furniture and equipment	162	131	31	52
Leasehold improvements	1,015	1,015	—	29
	4,028	3,416	612	574

During the year, capital assets were acquired at an aggregate cost of \$188 [2021–\$229] and disposals of fully amortized assets were nil [2021–nil].

Cost and accumulated amortization as at March 31, 2021 amounted to \$3,840 and \$3,266, respectively.

8. Deferred contributions – expenses of future periods

Deferred contributions related to expenses of future years represent the unspent balance in the Funds that is restricted for disbursement to eligible sustainable development technology projects and operations of the Foundation, as defined in the Funding Agreements. The change in the deferred contributions balance is as follows:

	2022			2021
	SD Tech Fund \$	NextGen Biofuels Fund \$	Total \$	Total \$
Balance, beginning of year	17,590	9,540	27,130	11,038
Federal contributions received	97,175	—	97,175	174,193
Interest income	148	49	197	363
Amount recognized as revenue	(113,051)	(187)	(113,238)	(158,464)
Balance, end of year	1,862	9,402	11,264	27,130

9. Capital management

The Foundation defines capital as its deferred contributions related to expenses of future periods.

The Foundation's objectives in managing capital are to safeguard its ability to continue as a going concern and pursue its strategy of promoting sustainable development technology and next-generation renewable biofuels to eligible projects that meet the mandate and criteria of its funder, the Government of Canada, and benefits to other stakeholders. Management continually monitors the impact of changes in economic conditions on its investment portfolio and its funding commitments.

The Foundation is not subject to any externally imposed capital requirements other than those defined in the current Contribution Agreements, and its overall strategy with respect to capital remains unchanged from the year ended March 31, 2021.

10. Commitments

SD Tech Fund

As at March 31, 2022, SD Tech Fund has awarded contributions of \$1,450 million, of which \$1,171 million has been disbursed since inception. Agreements with eligible recipients in place related to these awarded contributions total \$1,382 million. Therefore, the Foundation has outstanding contractual obligations of \$211 million as at March 31, 2022 to be paid over the period 2022–2026.

The Foundation has outstanding contractual obligations to make contributions and to lease office space as follows:

	\$ [in millions]
2023	111.6
2024	67.6
2025	24.6
2026	9.2
2027	–
	213.0

NextGen Biofuels Fund

There are no outstanding commitments for the NextGen Biofuels Fund; all contributions have been paid as at March 31, 2022.

11. Legal claims

From time to time, legal claims are filed against the Foundation. An estimate of loss, if any, relative to any legal matters is not determinable at this time and no provision has been recorded in the accounts related to legal claims.

12. Expenses by object

The following is a summary of expenses by object:

	2022			2021
	SD Tech Fund \$	NextGen Biofuels Fund \$	Total \$	Total \$
Compensation	9,804	150	9,954	8,257
Professional services and governance	1,915	9	1,924	1,637
General and administrative	1,852	16	1,868	2,050
Expert review and legal	879	12	891	483
Human Resources	355	—	355	214
External outreach	134	—	134	30
Travel and other	81	—	81	24
	15,020	187	15,207	12,695

13. Reclassification of prior year presentation

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.



GOVERNANCE AND COMPENSATION

Governance

BOARD OF DIRECTORS

SDTC is governed by a Board composed of 15 directors, seven of whom (including the Chair) are appointed by the Government of Canada and eight of whom are appointed by Members of the Foundation. They provide strategic direction and oversight of SDTC's financial matters, investment, partnerships, data, IP and talent strategies.

The Board has four committees: the Audit Committee, the Governance and Nominating Committee, the Human Resources Committee, and the Project Review Committee.

Directors are required to declare potential conflicts of interest and refrain from participating in any discussions regarding matters that could give rise to such a conflict.

Annette Verschuren	Chair of the Board, SDTC Chair & CEO, NRStor
Sarah Kavanagh	Vice-Chair of the Board, SDTC Chair, SDTC Audit Committee Corporate Director
Judith Athaide	Corporate Director
Geoff Cape	Chair, SDTC Governance & Nominating Committee CEO, Evergreen
Leo de Bever	Chair, Nauticol Energy
Jill Earthy	CEO, InBC Investments
Brenda Kenny	Board Chair, Alberta Innovates Chair, SDTC Human Resources Committee
Ron Koudys	President, Ron Koudys Landscape Architects
Stephen Kukucha	Partner, PacBridge Partners
Carl Landry	Managing Director, Investments, Canada Infrastructure Bank
Erin Mahoney	Commissioner, Environmental Service, York Region
Jessica McDonald	Corporate Director
Ellen McGregor	Chair, SDTC Project Review Committee
Gary Merasty	Executive Vice-President, Chief Development Officer, Northwest Company
Guy Ouimet	Managing Partner, Celtis Capital
Jo Mark Zurel	Corporate Director

As of March 31, 2022. For a list of current Board, Members and their profiles, visit www.sdgc.ca.



Members

The Members review the Foundation's annual performance, approve the Foundation's auditors and approve independent directors to the Board.

Ed Vandenberg	Partner, Corporate, Osler
Kathleen Sendall	Corporate Director

Compensation

BOARD OF DIRECTORS

Position	Annual stipend*
Chair of the Board	\$12,000
Vice Chair of the Board	\$9,000
Board Members	\$5,000

*All Directors of the Board received a meeting fee of \$550 per meeting day. The Directors who sit on Project Review Committees or Board working groups received a meeting fee of \$1,500 per meeting day.

EMPLOYEES

SDTC's total compensation is designed to be market-competitive and works with Mercer on an annual basis to ensure alignment with market.

In accordance with the Contribution Agreement, compensation for the fiscal year ending March 31, 2022, for employees whose compensation exceeded \$100,000 per annum, including salary, allowances, and other benefits, was within the annual compensation ranges listed below.

Position	Annual compensation	Additional performance-based compensation
President & CEO	\$311,000–\$421,000	\$ 0–\$115,000
Vice Presidents	\$178,000–\$264,000	\$ 0–\$73,000
Directors	\$139,000–\$173,000	\$ 0–\$29,000
Managers & Leads	\$84,000–\$137,000	\$ 0–\$15,000



APPENDIX: **2021-2022** PROJECTS

This list includes projects approved and publicly announced for the period April 1, 2021, through March 31, 2022. Project details can be found at sdtc.ca.

SEED FUNDING

11121391 Canada Inc.
(dba RailVision Analytics)
2S Water Incorporated
3e8 Inc.
A Friendlier Company Inc.
Airsset Technologies Inc
ALT TEX Inc.
AquaVerti Farms Inc
Audette Analytics Inc.
Ava Technologies Inc.
Bioform Solutions Inc.
Blue Lions Labs Ltd
Bluecity Technology Inc.
CACITH Inc. (dba Tengiva)
Carbin Minerals Inc.
CaroMeats Inc.
Ceragen Inc.
Cleanair.ai Corp
Concept Geebee Inc.
Cotex Technologies Inc
Disanko Inc. (dba Moduly)
Ecosystem Informatics Inc.
Electro Carbon Inc.
Feed Flow Limited
FTEX Inc
Galatea Technologies Inc.
Geosapiens Inc.
Growing Greener Innovations Inc
Hyon Software Inc.
Index Biosystems Inc.

infinityQ Technology Inc.
ioAirFlow Incorporated
Korrai Technologies Ltd.
Latys Intelligence Inc.
Liven Proteins Corp.
Maple Precision Inc.
MAZLITE INC.
Moment Energy Inc
Nanode Battery Technologies Ltd.
Nfinite Nanotechnology Inc.
Niosense Inc.
Niricson Software Inc.
Nyoka Design Corp.
Opalia Foods Inc.
OzoneBio Corp.
Pacific Ridge Trading Corp.
pH7 Technologies Inc.
Prairie Robotics Inc.
Promise Robotics Inc.
Pulsenics Inc.
REEDDI INC.
Rimot.io Inc.
Rithmik Solutions Ltd.
Sawback Technologies Inc.
Sepura Home Ltd.
Sheer Simple Laboratories Inc. (dba joni)
Solaires Entreprises Inc.
Spaceryde Inc.
Technologie Genset-Synchro inc.
The Aggressive Good, Inc.
The Owl Solutions Inc.



Viridis Research Inc.
Vivid Machines Inc.
Your Arbor Inc.
Zen Electric Bikes Inc.

START-UP/SCALE-UP FUNDING

AlumaPower Corporation
ALUS
Béton Brunet Ltée
BioAlert Solutions inc.
Borealis Wind*
Chinova Bioworks Inc
Cobric Chemicals Inc.
E2metrix Inc.
Eavor Technologies Inc.
Ecoli Sense (dba Kraken Sense)
Enedym
Ferme d'hiver
Flash Forest Inc.
FleetRover Inc. (d.b.a. FleetOps)
GHGSat Inc.
Giatec Scientific Inc.
HaiLa Technologies inc
Innord Inc.
Intelligent City Inc
Key DH Technologies Inc
(parent company to
Hydrogen Optimized)
Lithion Recycling Inc.*
Mikro-Tek Inc.
Milk Moovement

MLVX Technologies Inc. and
Merlin Plastics Supply Inc.
Nouveau Monde Graphite inc. (NMG)
NoviFlow
OmniPly Technologies Inc.
Open Ocean Robotics
Optel Group
OSCPS MOTION SENSING Inc.
Pani Energy Inc.*
Polar Sapphire Ltd.
Polystyvert Inc.
Pulse Industrial
Qube Technologies Inc
Questor Technology Inc.
Rayleigh Solar Tech Inc
Red Leaf Pulp Ltd.
Reeldata Inc.
RideFlag Technologies Inc
Sanexen services
environnementaux inc.*
SemiosBio Technologies Inc.
Sentry: Water Monitoring
and Control Inc.
SmartCone Technologies Inc.
Solid State of Mind Inc.
Sollum Technologies*
Spark Microsystems International Inc.
Validere Technologies Inc.
Vicinity Motor Corp
Wyvern Inc.

* Additional funding to support modifications of these projects was announced in 2021–2022.





**SUSTAINABLE DEVELOPMENT
TECHNOLOGY CANADA**

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DURABLE CANADA**

