

From: Sherry Colbourne <scolbourne@sparkcentre.org>
Date: Saturday, October 21, 2023 at 11:32 AM
To: clerks@oshawa.ca <clerks@oshawa.ca>
Cc: Hailey Wright <HWright@oshawa.ca>, Tracy Adams <TAdams@oshawa.ca>, Warren Munro <WMunro@oshawa.ca>
Subject: Spark Centre Request for Funding Renewal

Hello City of Oshawa,

Please find enclosed, Spark Centre's request for renewed funding under our 5-year agreement with the City of Oshawa.

Please feel free to reach out to me with any questions or comments.

Warm regards,

Sherry Colbourne | President & CEO



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Wellness Matters: I am sending this email at a time that works for me. If you are receiving this email out of your normal working hours, please respond at your convenience.

To: City Council
From: Spark Commercialization & Innovation Centre
Date: October 20, 2023

Subject:

Spark Centre Contract Renewal and Metrics Report

Request:

That the City of Oshawa Council approve a renewal of Spark Centre's five-year funding agreement that provides financial support to Durham's Regional Innovation Centre (RIC) in the amount of \$60,000/year.

Report:

1. Purpose

- 1.1 The purpose of this report is to provide Council with an update on the activities of Spark Centre and supply the performance metrics achieved by Spark Centre over the last five years.

2. background

- 2.1 Spark Centre was founded in 2014. Located in Downtown Oshawa, Spark Centre is Durham Region's local Regional Innovation Centre (RIC). The mandate of RICs is to help Ontario's entrepreneurs and innovators succeed in international markets by helping them work through the challenges of developing their ideas to make them marketable and attract talent, capital and customers. Spark Centre is mandated to provide these services to technology entrepreneurs in both Durham Region and Northumberland County.
- 2.2 Spark Centre is funded primarily by the Province of Ontario through the Ministry of Economic Development, Job Creation, and Trade (MEDJCT) and is additionally supported through annual core funding by the City of Oshawa and Durham Region Economic Development and Tourism.
- 2.3 The City of Oshawa's Department of Economic Development has been providing funding to Spark Centre under a 5-year agreement that commenced in 2019. Under this agreement, the City of Oshawa provides \$60,000 of annual funding to Spark Centre.
- 2.4 In 2017, at the end of Spark Centre's first term of funding with the City of Oshawa, Spark Centre became the lead partner in a provincially funded initiative called the Autonomous Vehicle Innovation Network (AVIN). The AVIN program was a five-year program that brought \$5 million dollars of investment to the City of Oshawa

and supported the advancement of electrification and smart city innovation in partnership with Ontario Tech University and Durham College.

- 2.5 In 2019, at the commencement of the current agreement, Spark Centre established itself as a designate of Canada's Startup Visa Program. This designation allows Spark Centre to support the immigration of newcomer founders to establish their businesses in Durham Region, attracting capital, jobs and additional GDP through the immigration of founders and their families. Since establishing itself as a designate of Immigration, Refugees and Citizenship Canada (IRCC), Spark Centre has landed 68 newcomer businesses and attracted \$37+ Million in capital to the region (see Attachment #2 - Periodic Table of Tech in Durham Region for details of the companies that Spark Centre currently supports).
- 2.6 In 2022, the AVIN program was renewed and will bring \$2.5 million dollars over three years to Spark Centre as lead in the Durham Regional Technology Development Site (Durham RTDS), and continues the work needed to advance Durham Region as a centre of excellence for electrification and smart city innovation. This new program, called the Ontario Vehicle Innovation Network (OVIN), is funded by the Ontario Centre of Innovation (OCI) and once again, supports Ontario Tech University and Durham College as consortium partners in the Durham RTDS.
- 2.7 Earlier this year, Spark Centre became one of only four delivery partners of the ElevateIP Program, a federally funded program to advance the commercialization of intellectual property. This program will support Spark clients as they build their IP portfolios and will provide \$266,632 over three years.
- 2.8 The City of Oshawa and Spark Centre are parties to a funding agreement and regular reporting on the activities of Spark Centre to staff and Council is a requirement of that funding agreement. Spark meets on a quarterly basis with City of Oshawa staff and appeared before Council in May 2023 to report on inquiries and referrals, affected sectors, investment, employment impact, patents pending and issued, and more generally on Spark's business plans, work plans, and achievements.

3. Previous Reports and Decisions

- 3.1 A Spark Centre update is provided annually.

4. 2023 Annual Report and Annual Metrics

- 4.1 Spark Centre produces and circulates an annual report which can be reviewed in Attachment #1.
- 4.2 A wholly-owned for-profit subsidiary of the Spark Centre, named Synergy Lab Inc., was established by resolution of the Board in July 2020, and CEO Sherry Colbourne joined their staff as President, in addition to her role leading Spark Centre. Considerable time and effort have been dedicated to growing this business,

with a mandate to provide market-entry services for a fee to international technology entrepreneurs looking to establish themselves in Canada in advancement of innovation in Durham and across Eastern Ontario.

- 4.3 Spark Centre, and its wholly-owned subsidiary, Synergy Lab, are tenants of 2 Simcoe St. S., in the heart of downtown Oshawa. Since returning to the premises after COVID, Spark Centre has now maximized its space on the third floor of 2 Simcoe and has established a strong relationship with Landlord CrisCorp that will permit expansion to the 4th floor on an as-needed basis. Three new businesses are in the queue to become tenants of Spark's expanded footprint.
- 4.4 Spark Centre, and its wholly-owned subsidiary, Synergy Lab, has a staff complement of 20 FTEs (up from 7 at the commencement of this current agreement with the City of Oshawa), as well as engagements with external advisors specializing in marketing, finance, commercialization, sales, and investment. Beyond that, Spark Centre has established a deep network of sector mentors that guide entrepreneurs across the five economic sectors of focus for Durham Region. Spark Centre client supports include: Marketing (4 FTEs) - showcasing client products/accomplishments and Durham Region as an innovation destination; delivering the Start-Up Visa Program (2 FTEs) - a program that expedites visas for foreign technology entrepreneurs seeking to relocate to Canada; an Eastern Ontario Innovation Corridor project (2 FTEs) - an initiative to coordinate programming delivery across eastern Ontario including Kingston and Ottawa; and, delivering client services for Durham-based technology entrepreneurs (6 FTE + external advisors/mentors) - to provide clients with the tools, skills and knowledge necessary to secure venture capital and reach commercialization

5. Relationship to Strategic Plan

- 5.1 This report aligns with and addresses the following strategic goals and priorities in the City of Oshawa's Strategic Plan:

Goal 1: Economic Prosperity & Financial Stewardship

- Enhance the potential for job growth by leveraging Oshawa's key economic strengths and assets.
- Proactively pursue commercial and industrial growth to create investment and job development and reduce reliance on residential assessment.
- Advance strategic initiatives for economic recovery as a result of the impacts of the COVID-19 pandemic.

6. Conclusion

- 6.1 Oshawa's Economic Development team partners with organizations in the City of Oshawa that support, engage, and mentor start-up and innovative businesses in order to support and facilitate the growth of this innovative community.

6.2 Spark Centre, as Durham Region's Regional Innovation Centre has a mandate to support local technology entrepreneurs in reaching commercialization and plays a central role in the City of Oshawa's innovation ecosystem.

. **Attachments**

Attachment #1: Spark Centre 2023 Annual Report

Attachment #2: Periodic Table of Tech in Durham Region

Respectfully submitted,

Sherry Colbourne
President & CEO
Spark Commercialization & Innovation
Centre



Periodic Table of Durham Region Tech

Local & Landed Newcomer Clients



Rs AcreageNay/ RealShare \$	Cb CommoBuy \$
Po Paid Off Inc \$	Izi IZiSoft Solutions Inc \$
Kwi K Will \$\$	Sx Sarox \$
Im Intelligent Motion \$	Da DAPS \$
Skb Subskryb \$	Ki KIMeg Legal Technology \$
At Accession Technologies \$	Tgp TransGP Global Logistics \$\$
Ego EGO Smart Inc \$\$	Ztt Zettavisor Tech Development Ltd \$\$

												Eld Elderaro \$	Rmd Remote Monitoring Dental \$	Iap iApotheca Healthcare Inc \$\$\$	Ta Turnkey Aquaponics Solutions \$
		Rei Reipower Inc \$	Fr FireRein Inc \$\$	Wiz WIZQuotes Inc \$	Fi First 3D Inc \$	Cp Complade \$	Np NotaryPro \$\$\$	Cop Copit Vertical Marketplace Inc \$	Ol OptLocal \$	Hs Hoselton Studio \$	Aa AcoAlert \$	Fs Fitsent ve \$	Ro Roboreg Inc \$	He Health Espresso \$\$\$	Al AL Farming Inc \$
Can CanTech Diamonds Inc \$	Cii CII Solutions Corp \$	Rch Richrose Studio Inc \$	Hav Hava Tell \$\$\$	Om Ominiware \$\$\$	Ma Magnify Access \$	Rsk Riskmetis \$	Tv Travertron Inc \$	Ds Donation Station Solutions \$	Se Scientific Equipment Source Inc \$	Pw Prowork National Limited \$	Apo Apothecaries \$	Ho Hofin Ltd \$	Sg Smile Genius Dental \$	Bf BF Innovations \$	Hg Hi Greenwall Inc \$\$
Cdw CDRobowie \$	Dk Delko Green Technology Inc \$	Swd Smart Water Damage \$	Bl BlueCamro \$	Ce Eco Business Framework \$	Met Metahus \$	Dg DigitalPMO \$	Xt Xtay Pro Canada Inc \$	Eas Easy Period Inc \$	Tur Turul Network \$	Ss Sootsoap Supply \$	Bnt BNET Tech \$	Ib Intel Beauty Limited \$	We WeTraQ \$	Cg Cubic Garden \$	Ki Korechi Innovations Inc \$\$
Ce Coterra Envirotech Inc \$	Int IntriEnergy \$	Sa Synergy Antech Services \$	Fp Fifte Plan \$	Rch Hims/Pure Research Labs Inc \$	Sw Swob Inc \$	Mod March On Demand \$	Hp Hop In \$\$\$	Ink Inkster \$	Wd Woah Dough \$	Pt Pasta Tavola \$\$	Ch Connex Health \$	Lv Longan Vision \$	Ra RAW2T Management Inc \$\$	Ma Minsta Agro Machines Ltd \$	Tai Tailport Technologies Inc \$\$
Ch Chargemiles \$	Opt Optimus AI \$	Tp Tulpar \$	Sir Sinus App \$	Ci Cinereo \$	Bks BlokSec Technologies Inc \$	Id IDHubs \$\$\$	Rde Render Developments \$\$	Ds My Dorm Store \$	Eps Engrapt Pro Socks \$	Gl GroundLevel Insights \$\$\$	Cw Curo Wellness \$	As AI nity Sky Inc \$	Hd HD Scan \$\$\$	No Now Organic Farms \$	Bsf BSFL Solutions Inc \$\$\$

						We WeWCA \$\$	Fs Frontstep \$
Adp Admission Pro Inc \$	Lvs LVS AI Inc \$	Exm EXM Game Studio \$\$\$	Ge Genius \$	Nvy 4u2nvy \$	Jx Joylix Inc \$	Ed Eleven Dimension \$\$\$	Gol Golden Horseshoe Capital Inc \$
Ao Angry Otter Games Inc \$	Mt Mr Turing \$	Ax Adinux \$\$\$	Mx Maxcom \$	Az Achieve-itz \$	Mz MuzeBox \$	Ka Kevaras Auto- nomous Services \$\$	My MyFund \$
Dh Data H \$	Sc Smart Control Solution \$	Ia Illuma Accessibility Inc \$	Uvk UV Klean Tech \$	Gg Global Guru Cloud \$	Pt Podium Team \$	Cam Camden \$\$\$	Tre Trophy Rewards \$
Pre Preemptor \$	Ipi Intelligent Pavement Inspection \$\$	Ky Kylincor \$	Cw Cardware \$	Hh Happiness Headquarters \$	Tem Templi Inc \$	Bfi Bene i Inc \$	Vm Vinci Mortgages \$
Li Lve Insights Inc \$	Iai InteriorAI \$	Lam Lambda Sense \$	Dzz Dianzz \$	In Insportify \$	Vc VestaChat \$	Do DOTE \$	Wi Wisensur \$

Ak ArchConnect \$	Cz Cozi Technologies \$	Plk Pitch Link \$	Ect E-cast Technology Inc \$\$	Aig AloGrade \$\$\$	Brr Brridge \$	Hdd Humanities Digital Degrees Project \$	Ip Iseedeapixel \$	Cs Coursana \$	Dy Dubelou Technology Inc \$\$	Dti Dilatotech Innovations Inc \$
Arc Automated Reward Company \$	Oo Oombo Technologies Inc \$	Xs Xiuxiang Smart \$	Mg Megcloud Technologies Inc \$\$	Asq A Squared Quality Training \$	Clc Cloud Company \$	Km Kore Meta Inc \$	Pc Presentria Canada Inc \$	Mya Maya Technologies \$	Sp Speech Starter \$\$	

Spark
CENTRE

SYNERGY
LAB INC

Area of Technology

- Blockchain
- Auto Tech
- Data Management & Warehousing
- Clean Technology
- Cloud Computing
- Corporation/CVC
- HR Tech
- Cybersecurity
- On-Demand Tech
- Travel Tech
- Virtual Reality
- E-Commerce
- CPG & Retail Innovation
- Digital Health
- Restaurant Tech
- Agriculture Tech
- Artificial Intelligence
- Regulatory Tech
- Wearables
- Social Technology
- Robotics
- Fin Tech
- Material Tech
- Internet of Things
- Education Tech
- Other

Capital Investment by Business

\$ \$150-\$499K
 \$\$ \$500K-\$999K
 \$\$\$ \$1M+



Cg	Ls	Vin	Si	Ht	Avs	Mvs	Dib	Hep	Myo	Px	Sf	At	Bx	Af	Ft
CGrounder	LatuSonli	VinCa Red Lead Inc	Starship Intelligent Shipping Service	HastyVent	ArchV z Solution Corp (Arch gure)	3D MedVShot	Diba Tech	HepatoWatch	Myo Pharm	Pulse Oximetry W istband	Smart Fetus	Atlin Teb	BotoxTreat	ASGP-Food	Farm Tech
\$	\$	\$	\$	\$	\$\$\$	\$	\$	\$	\$	\$	\$	\$\$	\$\$\$	\$	\$\$\$
Ch	Nst	Ab	Dc	Cd	Vmt	Ast	De	Hb	Nl	Rb	Sd	Chr	Drt	Li	
Concrete H2O	NovoSolTech	ABplug	Decybr	Condo Dash	Virtual Med Trainer	Atrin Med	DOA z EEG	High Bite	Nanology Labs Inc	Rest Bell	Streamd	Chroneed	DentRoboTrack	L vet	
\$	\$	\$\$\$	\$	\$\$	\$\$\$	\$	\$	\$	\$	\$	\$	\$\$	\$\$\$	\$	
Dta	Pv	Fmh	Mpg	Fex	Cad	Bo	Do	It	Nxh	Ryx	Stt	Hdw	Is	Lv	
Dare to Art	PhotoVella Evo Canada	Find Me Home	MaxProGem	FEX Sim	CADEXP.LAT	BotoSafe Inc	Docaide	Imaging Tech	NutritixHabits	Royax Canada Inc	Stream Trial Tech	Heart Diagnostic on Wheels	ISina	Lush Vertical	
\$	\$	\$\$\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$\$	\$\$\$	\$	
Ecp	Sw	Gw	Re	Rt	Sh	Cai	Eb	Ma	Op	Sim	Tin	St	Us	Ply	
Ecopour	SARCO Water Treatment Inc	Green Water Planet	Recordi	Recovery Tech	Shipling	CAI Tech	EchoBotics	MedAdherence	Ortho Protect ve	Simulate3Dental	Techinsole	ST Technology	Usersai Solutions Inc	Plantomys	
\$	\$	\$\$\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$\$	\$	\$	
Fib	Soi	Ss	Mt	Tt	Wd	Dvi	Ew	Thp	Per	Sdc	Twc	Ti	Zo	Pel	
Fib Cleanse Inc	SoilWin	Stirup Surface	Miracle Tooth Care (Findio)	Techno Treatment	WiseDevs (Findio)	Denture vs Implants	EcoWES	My Therapy Pals	Persimmon	Smart Dental Care	TeleWeCure	TiLISager	Zoobin	Precision Eco-landscaping	
\$	\$	\$\$\$	\$\$\$	\$	\$		\$	\$	\$		\$	\$\$	\$\$\$	\$	

	Rp Rampco \$	Tf Tooth Forth \$	Inp InPower \$	Hp Healopad \$\$\$	Hr Hornets Remittance \$\$
	Sur Surrec (Surv ve Recommender) \$\$	Vib Vibrodent \$	Tu Tourer \$	Rbk Robacker \$\$\$	Ih InvestHub \$\$\$
	Wx WisdomX \$\$	We WeldingEdge \$\$	Tw Tools to Around the World \$	Rbe Robendy \$\$\$	
Ary Arya Geo Data Harvesting \$	Cc Civil Costimator \$\$\$	Tel Telepatron \$	Rsp Robo Steel Pre ab \$	Lw LoanWhiz \$	
Ctc Chi Thai Clothing \$	Lu Luminous Canada \$\$\$	Bb Back and Better \$	Su SUABIS \$	Ssk SinoStocks \$	

Spark
CENTRE



- Blockchain
- Auto Tech
- Data Management & Warehousing

- Clean Technology
- Cloud Computing
- Corporation/CVC
- HR Tech

- Cybersecurity
- On-Demand Tech
- Travel Tech

- Virtual Reality
- E-Commerce
- CPG & Retail Innovation

- Digital Health
- Restaurant Tech
- Agriculture Tech

- Artificial Intelligence
- Regulatory Tech
- Wearables

- Social Technology
- Robotics
- Fin Tech

- Material Tech
- Internet of Things
- Education Tech
- Other

Capital Investment by Business

\$	\$150-\$499K
\$\$	\$500K-\$999K
\$\$\$	\$1M+



Periodic Table of Durham Region Tech

Newcomer Clients 12-24 Months

Inb InBuild AQM Inc \$\$	Vg Voltaic Green \$	Esc Escoraft \$\$\$	Rp Revive Pot Inc \$\$\$	Ms MetaSAC \$\$	Sg Surgip \$\$\$	Ck ComKed \$	Or OrderUS Inc \$\$\$	Au AutismVR Ltd \$	Kn Kinetic Track Inc \$	Ad ASAD \$\$\$	Fru Fruitortal \$\$	Meh Mehrparver (Mentaligence) \$	Xc XpertCall \$\$	Dry Dryshoon Inc \$\$	Imm Immersal \$	Rob Robeed \$\$\$
Ltd LTDriverZ \$	Ze Zeosilichem \$	Opc OSIN Pipe Coating Inc \$\$\$	Wtr Wateringa \$\$\$	Cb CannBoil \$\$\$	Tt Travel Tribe \$\$	Tpt Tagporter \$	Stt SttizedPen \$	Dx DexaMedic \$	Pbx ProBodyX \$	Nt Neuro Tech \$\$\$	Ani Aniscore \$\$\$	Pl Paneluxe \$	Ash ArcSheen Inc \$\$\$	Bdy Bodysma \$\$	Dxg 3DXGuage \$	If Invesigma Fintech Inc \$\$
Du Dtech4U Ltd \$\$\$	Nmh NMH Company \$\$	Pw PoiWater \$\$\$	Ac AcouInfo \$\$	Spe Star PE \$\$\$	Mm Meta Modules \$	Sp Skin Pride \$\$	Gh Garment Hunt \$\$	Ht Horizon Trial & Treatment \$	Vg Vandage \$	Qc Quick Clinic Hub \$\$\$	Chk Chickender \$\$\$	Tri Tripl3s Technology Limited \$	Cc CannyCad \$\$\$	Zm Zaker Medicare \$\$	Ssp Smart Splint \$\$	
Nd Nilead Inc \$\$\$												Det Deteconology \$\$	Of ODOFIND \$\$\$	Btl By The Look \$	Vrt VenRoboTech \$\$	
	Aim DataAIMS \$	Inw Inno Well \$	Im IntellIManufacture \$	Ssp SmartSpot (WiseSpot) \$	Yd Yodo Designs \$	Ptz PetzIoT \$\$	Rmf Remofety \$\$	Scw SCW Solutions \$\$	Sm Smart Movements Inc \$\$	Cm Chic Mug \$\$\$	At AstroTeach \$	Ed Edupia Inc \$\$	Zg ZAG Hand Train Corporation \$\$	Edv Edverse \$\$\$		



Area of Technology

- | | | | | | | | |
|--|--|--|--|---|---|---|---|
| <ul style="list-style-type: none">BlockchainAuto TechData Management & Warehousing | <ul style="list-style-type: none">Clean TechnologyCloud ComputingCorporation/CVCHR Tech | <ul style="list-style-type: none">CybersecurityOn-Demand TechTravel Tech | <ul style="list-style-type: none">Virtual RealityE-CommerceCPG & Retail Innovation | <ul style="list-style-type: none">Digital HealthRestaurant TechAgriculture Tech | <ul style="list-style-type: none">Artificial IntelligenceRegulatory TechWearables | <ul style="list-style-type: none">Social TechnologyRoboticsFin Tech | <ul style="list-style-type: none">Material TechInternet of ThingsEducation TechOther |
|--|--|--|--|---|---|---|---|

Capital Investment by Business

\$	\$150-\$499K
\$\$	\$500K-\$999K
\$\$\$	\$1M+



Periodic Table of Durham Region Tech

Newcomer Clients 24+ Months

	Ntt Nattek Inc \$\$	Au Authion Canada Inc \$\$	Cv CardioVes Inc \$	Hm Hire Med Inc \$	Mdx MedixAdvisor Inc \$	Stg Serum Tracker Global Inc \$\$	Sd Snapdentist Technologies Inc \$\$\$
Cy Cleandacity Inc \$	Cpt Crypto AML System \$	Hy Hypnosalt \$	Dd Derma Dex \$	Kg Kindredcare Global Inc \$	Nb Next BioTek Inc \$	Dia DiagnosAI \$\$\$	Psh Proshrub \$\$\$

Ci Cred Inx Inc \$\$	Cvr Construct VR Inc \$	Xf X-Forceps Inc \$	Sb SweepBin \$\$	Pro Proshare \$
Tp Tapestic Inc \$\$\$	Par Parcely Inc \$	Ro RoFoot \$\$	Uf Unique Fintech Inc \$	It i365 Inc \$\$

Ect Ectotem \$	Ro Robomain Inc \$	Sfl Soflate Company Inc \$\$\$
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Int Intellemize Inc \$

Spark
CENTRE

SYNERGY
LAB INC

Area of Technology

- | | | | | | | | |
|----------------------------------|------------------|----------------|-------------------------|------------------|-------------------------|-------------------|--------------------|
| Blockchain | Clean Technology | Cybersecurity | Virtual Reality | Digital Health | Artificial Intelligence | Social Technology | Material Tech |
| Auto Tech | Cloud Computing | On-Demand Tech | E-Commerce | Restaurant Tech | Regulatory Tech | Robotics | Internet of Things |
| Data Management
& Warehousing | Corporation/CVC | Travel Tech | CPG & Retail Innovation | Agriculture Tech | Wearables | Fin Tech | Education Tech |
| | HR Tech | | | | | | Other |

Capital Investment by Business

\$	\$150-\$499K
\$\$	\$500K-\$999K
\$\$\$	\$1M+

**NON-CONSOLIDATED
FINANCIAL STATEMENTS OF**

**SPARK COMMERCIALIZATION AND
INNOVATION CENTRE**

March 31, 2023

SPARK COMMERCIALIZATION AND INNOVATION CENTRE

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March 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Spark Commercialization and Innovation Centre

Qualified Opinion

We have audited the non-consolidated financial statements of Spark Commercialization and Innovation Centre ("Organization"), which comprise the non-consolidated statement of financial position as at March 31, 2023, and the non-consolidated statements of changes in net assets, operations and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Organization as at March 31, 2023, and the non-consolidated results of its operations and its non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

The investment in 2767690 Ontario Inc. and its wholly owned subsidiary, Synergy Lab Inc., is accounted for using the equity method. The investment is carried at \$2,472,571 on the statement of financial position as at March 31, 2023 (2022 - \$2,455,831) and net income from investment in subsidiaries is \$1,266,740 for the year ended March 31, 2023 (2022 - \$1,680,213). We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the Organization's investment in 2767690 Ontario Inc., and its wholly owned subsidiary, Synergy Lab Inc., and unrestricted net assets as at March 31, 2023 and March 31, 2022 and the Organization's share of Synergy Lab Inc. net income for the year and related disclosures as their financial statements are unaudited. We were unable to determine whether adjustments might be necessary. Our audit opinion on the financial statements for the year ended March 31, 2022 was modified accordingly.

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 Non-consolidated Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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 qualified opinion.

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

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

ASSURANCE • TAX • ADVISORY

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Peterborough

Courtice

Lindsay

Cobourg

INDEPENDENT AUDITOR'S REPORT, continued

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

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-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 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 non-consolidated 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 non-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 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 Organization'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 Organization'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 non-consolidated 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 Organization to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

Baker Tilly KDN LLP

Chartered Professional Accountants



INDEPENDENT AUDITOR'S REPORT, continued

Licensed Public Accountants

Courtice, Ontario
August 16, 2023

SPARK COMMERCIALIZATION AND INNOVATION CENTRE

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at March 31, 2023

	2023 \$	2022 \$
ASSETS		
Current assets		
Cash	859,454	1,037,525
Accounts receivable (note 3)	11,615	21,758
Harmonized sales tax recoverable	34,963	72,724
Prepaid expenses and deposits (note 4)	72,908	275,373
Government funding receivable (note 5)	421,355	30,000
	1,400,295	1,437,380
Investments in subsidiaries (note 6)	2,472,571	2,455,831
Due from related company (note 7)	25,718	3,128
Tangible capital assets (note 8)	166,854	130,349
	4,065,438	4,026,688
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	152,593	190,157
OVIN funding payable to partners (note 9)	293,769	54,423
AVIN funding repayable (note 9)	63,909	63,909
Deferred revenue (note 10)	10,000	10,000
	520,271	318,489
Net assets		
Unrestricted	2,845,167	3,008,199
Internally restricted (note 11)	700,000	700,000
	3,545,167	3,708,199
	4,065,438	4,026,688

Approved on behalf of the Board



Director



Director

The accompanying notes are an integral part of these non-consolidated financial statements

SPARK COMMERCIALIZATION AND INNOVATION CENTRE

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2023

	Unrestricted \$	Internally restricted \$	Total 2023 \$	Total 2022 \$
Balance - beginning of year	3,008,199	700,000	3,708,199	3,112,869
Excess (deficiency) of revenues over expenses for the year	(163,032)	-	(163,032)	595,330
Balance - end of year	2,845,167	700,000	3,545,167	3,708,199

The accompanying notes are an integral part of these non-consolidated financial statements

SPARK COMMERCIALIZATION AND INNOVATION CENTRE

NON-CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended March 31, 2023

	2023	2022
	\$	\$
Revenues		
Ministry of Economic Development, Job Creation and Trade (note 12)	598,500	598,500
Ontario Centres of Innovation (note 9)	286,375	174,206
Other income	65,244	227,063
City of Oshawa	60,000	60,000
Region of Durham	50,000	100,000
Office service revenue	30,648	-
Corporate sponsorships and event revenue	20,535	21,500
Programming revenue	18,826	34,157
	1,130,128	1,215,426
Expenses		
Salaries and wages	1,246,473	1,001,258
Consulting and advisory	519,369	473,237
Communications	189,667	161,445
Rent	156,491	158,133
Professional fees	138,990	123,300
Marketing and outreach	93,789	67,038
Client advisory	68,444	146,129
Travel, meals and accommodation	61,151	3,090
Office	43,802	82,647
Amortization	36,826	68,034
Bad debts	4,898	15,998
	2,559,900	2,300,309
Deficiency of revenues over expenses before undernoted item	(1,429,772)	(1,084,883)
Net income from investment in subsidiaries (note 6)	1,266,740	1,680,213
Excess (deficiency) of revenues over expenses for the year	(163,032)	595,330

The accompanying notes are an integral part of these non-consolidated financial statements

SPARK COMMERCIALIZATION AND INNOVATION CENTRE
NON-CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended March 31, 2023

	2023	2022
	\$	\$
CASH PROVIDED FROM (USED FOR)		
Operating activities		
Excess (deficiency) of revenues over expenses for the year	(163,032)	595,330
Items not affecting cash		
Amortization of tangible capital assets	36,826	68,034
Net income from investment in subsidiaries	(1,266,740)	(1,680,213)
	(1,392,946)	(1,016,849)
Change in non-cash working capital items		
Decrease in accounts receivable	10,143	73,215
Decrease (increase) in harmonized sales tax recoverable	37,761	(21,139)
Decrease (increase) in prepaid expenses and deposits	202,465	(228,664)
Decrease in government funding receivable	(391,355)	(30,000)
Decrease in accounts payable and accrued liabilities	(37,564)	(56,406)
Decrease in OVIN funding payable to partners	239,346	(44,074)
Increase in AVIN funding repayable	-	63,909
Increase (decrease) in deferred revenue	-	(138,497)
	(1,332,150)	(1,398,505)
Investing activities		
Advances from (to) related companies	(22,590)	182,715
Purchase of tangible capital assets	(73,331)	(16,985)
	(95,921)	165,730
Financing activity		
Dividend from investment in subsidiaries	1,250,000	600,080
Decrease in cash	(178,071)	(632,695)
Cash - beginning of year	1,037,525	1,670,220
Cash - end of year	859,454	1,037,525

The accompanying notes are an integral part of these non-consolidated financial statements

SPARK COMMERCIALIZATION AND INNOVATION CENTRE

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

1. NATURE OF OPERATIONS

Spark Commercialization and Innovation Centre (the "Organization") is a not-for-profit organization incorporated provincially, without share capital, on August 11, 2014. The Organization is exempt from income tax under Section 149(1) of the Income Tax Act as a corporation operating exclusively for social welfare.

The Organization promotes economic development and job growth in the Durham Region, Northumberland County and other surrounding municipalities by assisting and providing support to entrepreneurs seeking to commercialize new and innovative technology or products and operating businesses seeking to grow.

These financial statements do not include the assets, liabilities, or operations of 2767650 Ontario Inc., a wholly owned for profit subsidiary or its wholly owned for profit subsidiary Synergy Lab Inc. (Note 6).

2. SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of presentation*

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

(b) *Financial instruments*

(i) *Measurement of financial instruments*

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable, government funding receivable and due from related company. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, OVIN funding payable to partners and AVIN funding repayable.

The Organization recognizes its transaction costs in net earnings in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(ii) *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net earnings. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in earnings.

SPARK COMMERCIALIZATION AND INNOVATION CENTRE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Investment in subsidiaries

The equity method is used to account for the Organization's investment in 2767690 Ontario Inc. and its wholly owned subsidiary, Synergy Lab Inc. This method of accounting brings into consolidated earnings the Organization's share in earnings of the subsidiary corporations, which is also added to the carrying value of the investment.

(d) Tangible capital assets

Tangible capital assets are recorded at cost. The Organization provides for amortization using the following methods and rates designed to amortize the cost of the tangible capital assets over their estimated useful lives.

Office equipment	20% declining balance
Furniture and fixtures	20% declining balance
Computer equipment and software	100% declining balance
Data networking and infrastructure	30% declining balance

Amortization of leasehold improvements is recorded on a straight-line basis over the length of the lease.

The Organization regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use. In the current year \$69,561 of software additions were not amortized as they were not yet available for use.

Tangible capital assets are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

(e) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred and reporting requirements met. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

SPARK COMMERCIALIZATION AND INNOVATION CENTRE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Revenue recognition, continued

Revenue is received from the Province of Ontario Ministry of Economic Development, Job Creation and Trade ("MEDJCT") Regional Innovation Centre ("RIC") funding contract including the RIC Core funding and Business Acceleration Program ("BAP") funding to support the growth and development of early to middle stage technology and innovation based ventures. Government funding received from MEDJCT and other government funding sources is recognized based on the contracts in place at March 31 each year.

Ontario Vehicle Innovation Network ("OVIN") Regional Technology Development Site Agreement (the "Agreement") with the Ontario Centres of Innovation Inc. ("OCI") funding is to connect national and multinational enterprises, researchers, mentors, financiers, and entrepreneurs and attract automotive and mobility development and investment to the Durham technology ecosystem. Funding is recognized based on the contracts in place and progression of such contracts at March 31 each year.

Corporate sponsorship and event income is recognized on a systematic basis over the period of the sponsorship term. Revenue is recognized when received or receivable, the amount can be reasonably estimated, and collection is reasonably assured.

Other income, office service revenue and programming revenue, including Spark Magazine advertising, mail service, events, interest income, and other fees charged, are recognized when received or receivable, the amount can be reasonably estimated, and collection is reasonably assured.

(f) Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Estimates are used when accounting for items and matters such as amortization and asset valuations, deferred revenue, accruals and contingencies. Actual results could differ from these estimates.

3. ACCOUNTS RECEIVABLE

	2023	2022
	\$	\$
Accounts receivable	12,180	39,836
Allowance for doubtful accounts	(565)	(18,078)
	11,615	21,758

SPARK COMMERCIALIZATION AND INNOVATION CENTRE

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

4. PREPAID EXPENSES AND DEPOSITS

	2023	2022
	\$	\$
Prepaid expenses	72,908	25,373
Deposit on 78 Richmond Street West	-	250,000
	72,908	275,373

5. GOVERNMENT FUNDING RECEIVABLE

	2023	2022
	\$	\$
OVIN funding	330,149	-
MEDJCT funding	59,850	-
The City of Oshawa funding	31,356	30,000
	421,355	30,000

6. INVESTMENT IN SUBSIDIARIES

The continuity of the Organization's investment in 2767690 Ontario Inc. and its wholly owned subsidiary Synergy Lab Inc. is as follows:

	2023	2022
	\$	\$
Opening balance	2,455,831	1,375,698
Net income from investment in subsidiaries	1,266,740	1,680,213
Dividends received	(1,250,000)	(600,080)
	2,472,571	2,455,831

Financial summaries for 2767690 Ontario Inc. are as follows:

	2023	2022
	\$	\$
Financial position		
Assets	318,927	400,506
Liabilities	(74,438)	(804)
Shareholder's equity	(244,489)	(399,702)
Results of operations		
Revenue	1,099,032	1,000,504
Operating expenses	(2,745)	(822)
Income tax expense	(1,461)	-
Net income	1,094,826	999,682

SPARK COMMERCIALIZATION AND INNOVATION CENTRE

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

6. INVESTMENT IN SUBSIDIARIES, continued

Cash flows		
Cash from operating activities	1,168,421	1,000,486
Cash used for financing activities	(1,250,000)	(600,080)
Increase (decrease) in cash flow	(81,579)	400,406

2767690 Ontario Inc., holds all outstanding shares of Synergy Lab Inc. Financial summaries for Synergy Lab Inc. are as follows:

	2023	2022
	\$	\$
Financial position		
Assets	2,932,941	2,902,879
Liabilities	(704,799)	(846,650)
Shareholder's equity	(2,228,142)	(2,056,229)
Results of operations		
Revenue	3,977,996	4,320,157
Operating expenses	(2,360,748)	(2,129,887)
Income tax expense	(356,861)	(509,739)
Net income	1,260,387	1,680,531
Cash flows		
Cash from operating activities	1,195,013	1,040,887
Cash used for investing activities	(25,171)	(5,185)
Cash from (used for) financing activities	(1,137,660)	(1,182,715)
Increase (decrease) in cash flow	32,182	(147,013)

Included in the operating expenses of Synergy are; \$393,003 (2022 - \$240,585) consulting fees paid to companies controlled by the directors and officers of the Organization and directors of Synergy and \$209,716 (2022 - \$126,297) professional fees paid to a company related by common control.

SPARK COMMERCIALIZATION AND INNOVATION CENTRE

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

7. RELATED COMPANY TRANSACTIONS

During the year, the Organization had the following transactions with Synergy Lab Inc., 2767690 Ontario Inc. and a Company related by common significant influence:

	2023 \$	2022 \$
Synergy Lab Inc.		
Management fee revenue	-	163,620
Other income	29,832	4,520
Expense reimbursements	(46,058)	3,128
Cost sharing	48,648	-
Transfer to (from) related company	20,000	(185,843)
Accounts receivable	25,718	3,128
2767690 Ontario Inc.		
Dividends received	1,250,000	600,080
Company related by common significant influence		
Professional services	109,352	64,243
Accounts payable and accrued liabilities	9,351	7,813
Programming revenue	5,000	5,444
Included in accounts receivable	450	832

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The amounts due to and from the related companies are non-interest bearing and have no specific terms of repayment.

8. TANGIBLE CAPITAL ASSETS

	Cost \$	Accumulated amortization \$	2023 Net book value \$	2022 Net book value \$
Office equipment	97,861	52,785	45,076	55,058
Furniture and fixtures	117,417	67,876	49,541	61,928
Computer equipment and software	168,311	97,437	70,874	8,492
Data networking and infrastructure	4,676	3,313	1,363	1,948
Leasehold improvements	64,644	64,644	-	2,923
	452,909	286,055	166,854	130,349

SPARK COMMERCIALIZATION AND INNOVATION CENTRE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2023

9. ONTARIO CENTRES OF INNOVATION ("OVIN") FUNDING

On February 8, 2018, the Organization entered into an Autonomous Vehicle Innovation Network ("AVIN") Regional Technology Development Site Agreement (the "Agreement") with the Ontario Centres of Innovation Inc. ("OCI", formerly Ontario Centres of Excellence, "OCE"). MEDJCT funded the AVIN project by way of conditional grant payments to OCI. The Organization had partnered with Durham College ("DC") and Ontario Tech University (formerly the University of Ontario Institute of Technology) to create a world class development environment for the integration, evaluation and validation of new Connected and Autonomous Vehicle technologies (the "AVIN Project"). The AVIN Project ended as at March 31, 2022.

At March 31, 2022 there was \$63,909 repayable to OCI for unutilized funds within the agreement periods which has not been repaid as at March 31, 2023.

On April 1, 2022, the Organization entered into an Ontario Vehicle Innovation Network ("OVIN") Regional Technology Development Site Agreement (the "Agreement") with the Ontario Centres of Innovation Inc. ("OCI"). The Ministry of Economic Development, Job Creation and Trade of Ontario ("MEDJCT") has agreed to fund the OVIN Project by way of conditional grant payments to OCI. The Organization has partnered with Durham College ("DC") and Ontario Tech University ("Ontario Tech") to connect national and multinational enterprises, researchers, mentors, financiers, and entrepreneurs and attract automotive and mobility development and investment to the Durham technology ecosystem. The Organization will also seek support from private sector partners to provide additional capability and technical know-how to identify new opportunities for such technologies.

OCI will deliver certain financial assistance to the Organization, provided by MEDJCT, in the form of funding. Under subcontract agreements ("Sub-Agreements") with DC and Ontario Tech, the Organization has agreed to distribute the necessary funding to enable DC and Ontario Tech to carry out their pro-rata portion of the OVIN Project (the "Sub-Projects").

The agreement has specific annual performance goals and spending criteria. The Organization will be subject to an annual spending audit and reviews as deemed necessary by OCI. As part of the agreement, the Organization agrees that cost overruns and financing deficiencies of the Project are the Organization's responsibility. Under the Sub-Agreements, DC and Ontario Tech are responsible for cost overruns and financing deficiencies of the Sub-Projects. No amount is recognized in these statements as repayable to OCI.

The total amount of financial support of the OVIN Project is not to exceed \$2,499,958 over the term of the project to March 31, 2025. The Organization is expected to seek in-kind matching contributions from the other partners. The fair value of in-kind matching contributions cannot be reasonably determined and are therefore not reflected in these financial statements.

As at the year ended March 31, 2023 the Organization is to receive and distribute the following amounts:

SPARK COMMERCIALIZATION AND INNOVATION CENTRE

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

9. ONTARIO CENTRES OF INNOVATION ("OVIN") FUNDING, continued

	2023	2022
	\$	\$
OVIN Project financial assistance earned	580,144	-
OVIN Sub-Projects funding distributed to Ontario Tech	(204,000)	-
OVIN Sub-Projects funding distributed to DC	(89,769)	-
AVIN Project financial assistance earned	-	691,723
AVIN Sub-Projects funding distributed to Ontario Tech	-	(442,517)
AVIN Sub-Projects funding distributed to DC	-	(75,000)
Net funding to the Organization	286,375	174,206

As at March 31, 2023, the following are payable to the related OVIN Sub-Project:

	2023
	\$
Ontario Tech	204,000
Durham College	89,769
	293,769

10. DEFERRED REVENUE

	2023	2022
	\$	\$
City of Oshawa/Region of Durham		
Balance, beginning of the year	10,000	60,000
Funds received - Region of Durham	50,000	50,000
Funds received - City of Oshawa	60,000	60,000
Funds earned in the year	(110,000)	(160,000)
Balance, end of the year	10,000	10,000

11. INTERNAL RESTRICTION ON NET ASSETS

The Board of Directors has internally restricted a portion of net assets to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated losses of funding or uninsured losses.

SPARK COMMERCIALIZATION AND INNOVATION CENTRE

NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2023

12. PROVINCIAL FUNDING

	2023	2022
	\$	\$
Regional Innovation Centre	336,000	336,000
Business Acceleration Program	262,500	262,500
	598,500	598,500

The MEDJCT funding contract has specified annual performance goals and spending criteria. The Organization will be subject to an annual review by the Funder. As at March 31, 2023, management and the Board of Directors feel that the Organization has met the specified performance goals and spending criteria for revenue recognized in the 2022 fiscal year.

MEDJCT can determine if the Organization is required to repay any of the year's funding upon completion of their annual review. No amount is recognized in these statements as repayable and the Organization may be required to repay of portion of the current year's funding after completion of the annual review. MEDJCT will provide funding to March 31, 2024.

13. LEASE COMMITMENTS

The Organization leases premises under a long term lease that expired on January 31, 2022 however, renewed until June 30, 2022 and further extended until June 2023 and June 2024. Under the initial renewal lease, the Organization is required to pay a base monthly rent of \$13,425 which increased to \$15,390 as at March 1, 2022. Further extension of the lease requires the Organization to pay a base monthly rent of \$15,886 as at July 1, 2022. Additional rent may be incurred on any additional space rented by the Organization. The lease can be terminated by the Organization with 120 days notice.

Future minimum lease payments as at year end are as follows:

	\$
2024	190,635
2025	47,658
	238,293

14. ECONOMIC DEPENDENCE

The Organization is substantially dependent on the ongoing financial support of the Ontario Government.

SPARK COMMERCIALIZATION AND INNOVATION CENTRE
NOTES TO THE NON-CONSOLIDATED FINANCIAL STATEMENTS
For the year ended March 31, 2023

15. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2023.

(a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from government funders and other sources, payment of accounts payable and accrued liabilities and funding payable or repayable.

(b) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk on accounts receivable from corporate partners and government agencies. The Organization's accounts receivable risk is considered to be low as receivables are recognized only if it is certain monies are expected to be received. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

Additionally, as the majority of the cash balance is held with a major Canadian financial institution there is a concentration of credit risk with one financial institution in Canada. The risk is managed by using a major bank that is a high grade credit quality financial institution as determined by rating agencies. The carrying amount of cash included on the statement of financial position represents the maximum credit exposure.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

16. COMPARATIVE FIGURES

The non-consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

17. SUBSEQUENT EVENTS

Subsequent to the year end, on April 1, 2023, the Organization amalgamated its two wholly owned for-profit subsidiaries, 2767690 Ontario Inc. and Synergy Lab Inc., into one for-profit subsidiary, Synergy Lab Inc. There was no financial statement impact resulting from the amalgamation in the current financial year.

WELCOME TO OUR 2023

AGM

ANNUAL GENERAL MEETING

Spark
CENTRE

sparkcentre.org





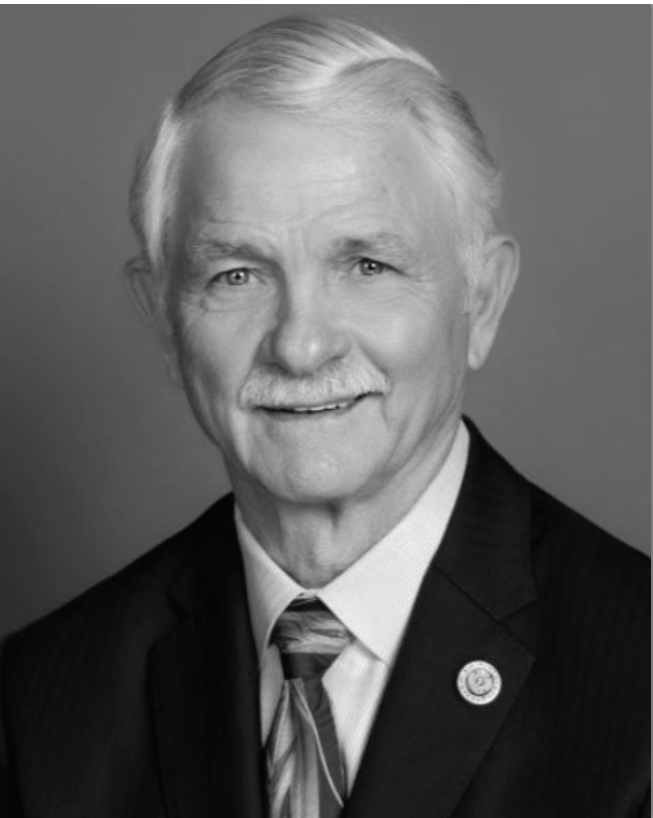
A MESSAGE FROM

Rye Barberstock

Vice President & COO

Okwaho Equal Source





A MESSAGE FROM

Jim Lee

City Councillor

City of Oshawa





A MESSAGE FROM

Jennifer French
MPP

Oshawa





PARTNER MESSAGE

Doug Minter

Partnerships-Sponsorships

Canadian Black Chamber
of Commerce





A MESSAGE FROM

Gary Jarosz

Chair of the Board

Semi-retired





A MESSAGE FROM

Sherry Colbourne

President & CEO

Spark Centre



CEO Update

FROM SHERRY COLBOURNE

"If something is important enough, or you believe something is important enough, even if you're scared, you'll keep going."

— Elon Musk, CEO of Tesla Motors and SpaceX

Spark Centre Doubled Down On:



Are turning to the "office" and all the benefits of in-person connection.



Deep-diving into understanding of the challenges our clients are dealing with in the face of an uncertain economy.



Building the safety nets and relationships that allow our startups to thrive.



A Year in Review

2023 ENTREPRENEURIAL JOURNEY

Connection (Re)

- Built a robust network of mentors (24) across our five sectors of focus to better support our founders.
- Expanded our service model beyond residency to include:
 - Mail service
 - Market research
 - Acceleration
 - First customers (revenue)
- Developed a "High Impact Steering Committee" to support the acceleration of high-performing clients



A Year in Review

2023 ENTREPRENEURIAL JOURNEY

Growth

- Increased high-impact client roster from 142 to 153
- Increased resident clients from 14 to 22, currently have 25 resident clients and have maxed out our space
- Secured 3-years of funding for ElevateIP of \$267K – 7 clients have secured access to this funding already!
- Re-opened room bookings and office utilization in second half of FY23 – 32 client users served, FY24 is on track to surpass FY23 by double!

Amy Davies
First30

Rick McCutcheon
Sales Advisor

A Year in Review

2023 ENTREPRENEURIAL JOURNEY



Building Durham's Innovation Engine

- Supported Spark clients post-COVID with detailed market research valued at \$700K
- Spark clients increased their monthly recurring sales to drive \$5.7 Million in annual revenue (up from \$3.7 in FY22)
- We now support more female founders than ever before and laid the groundwork for supporting under-represented entrepreneurs (newcomers | black | female)



ADVISORS & EDUCATORS

AGM
ANNUAL GENERAL MEETING



Robert Weese
Sales



Bob Spiers
Sales



Chris Giantsopoulos
Marketing



Garry Innanen
AI/Technology/Sales



Kevin Smith
Marketing



Peter Mandl
Finance



Rick McCutcheon
Digital Sales



Judith Pineault
Executive Coaching



Ivano Labricciosa
Hardware



Len Kleine
Health Sector



Sayani Saiphoo
Finance



Jason Gamblen
Sales/Investment



Pete Crouse
Franchising



Dave Miller
Software Technology

Mentors

SECTOR REPRESENTATIVES



INFORMATION TECHNOLOGY & DIGITAL MEDIA

Barbara Leiann Peart
Blair Patton
Brad Roach
Greg Birley
Jeff Klink
Joe Miller
Kaitlyn McCullough
Noam Hazan
Paul Aussem
Roslyn Mugford
Michael Carter

TOTAL MENTORS: 11



EN3: ENERGY, ENVIRONMENT & ENGINEERING

Rick Rooney
Peter Williams
Ivano Labricciosa

TOTAL MENTORS: 3



ADVANCED MANUFACTURING & MATERIALS

Terri Lynn Simpson
Tom Gunsinger
Tyler Ashby

TOTAL MENTORS: 3



AGRICULTURE & FOOD DEVELOPMENT

Ryan Cullen
Lesley Thomson
Nanci Corrigan

TOTAL MENTORS: 3



MEDTECH HEALTH & LIFE SCIENCES

Giancarlo Sansalone
Judith Pineault
Lennelle
Paul Cudmore

TOTAL MENTORS: 4



Stats by Sector

KEY PERFORMANCE INDICATORS

153

TOTAL
COMPANIES
BREAKDOWN BY SECTOR



95

INFORMATION
TECHNOLOGY &
DIGITAL MEDIA



11

EN3: ENERGY,
ENVIRONMENT &
ENGINEERING



15

ADVANCED
MANUFACTURING
& MATERIALS



8

AGRICULTURE
& FOOD
DEVELOPMENT



24

MEDTECH
HEALTH & LIFE
SCIENCES

Spark Centre Local Clients

KEY PERFORMANCE INDICATORS



2355 TOTAL ADVISORY
HOURS

36

PAID

JOBS CREATED



24

NEW

JOBS CREATED

MRR
REVENUE
\$5.7M

★ **54%** ★
INCREASE



\$2.4M

CLIENT FUNDING RAISED

60% DECREASE



84

UNIQUE CLIENTS

14



FEMALE
FOUNDERS



15

CLIENTS
FUNDED



12

FOREIGN
FOUNDERS

Newcomer Clients

KEY PERFORMANCE INDICATORS

69 TOTAL
COMPANIES



\$38M
TOTAL
CAPITAL



203
NUMBER OF **JOBS**



\$45M
CONTRIBUTION TO THE
GDP

62  FEMALE
FOUNDERS



408
ACCOMPANYING
FAMILY MEMBERS



Start-Up Visa PROGRAM

185 TOTAL
COMPANIES



\$132M
TOTAL
CAPITAL



599
NUMBER OF JOBS



\$154M
CONTRIBUTION TO THE
GDP



241
FEMALE FOUNDERS



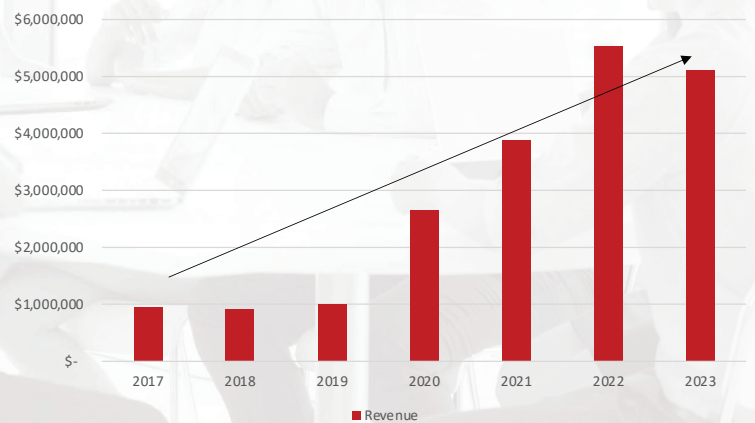
1470
ACCOMPANYING
FAMILY MEMBERS

SPARK GROUP CONTRIBUTION TO THE REGION

It's *still*
a success
story of growth...

7-year Cumulative Annual Growth
of **27%** in Revenues.

Revenues Spark Group of Entities

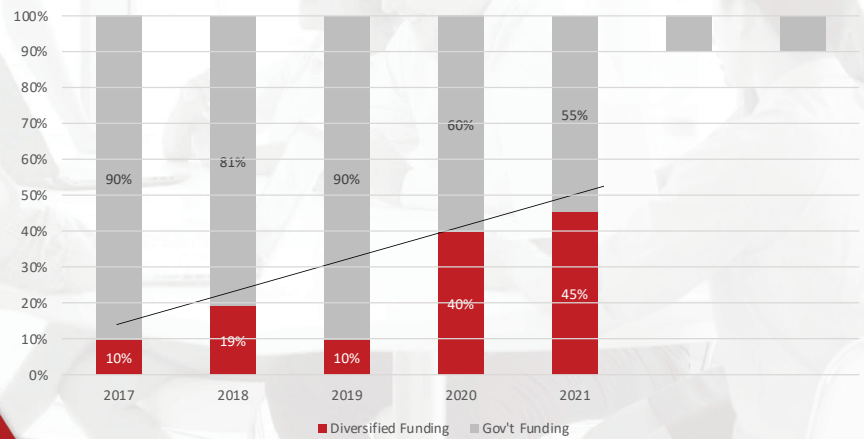


SPARK GROUP FUNDING



7-year Cumulative Annual Growth
of **30%** in Diversified Funding.

Spark Funding Government vs. Diversified Funding (%)



Client Success

Client Services brings notable success by developing and growing local and international companies through programming and meaningful services. Clients are enriched through business awareness sessions, advisory and engagement with community.

Stephanie Florio
Swob



Swob

Swob



Swipe.



Hired.



Client Success Helps you with...

SKILLS DEVELOPMENT

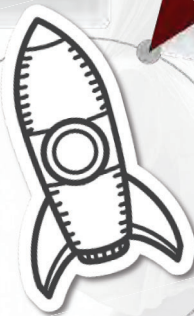
- Sales, Marketing, Finances
- Advisory

ACCESS TO FUNDING & OPERATIONAL SUPPORTS

MARKET RESEARCH

MENTORING & CONNECTIONS

RESIDENCY, FACILITY & MAIL SERVICES



Client Success

NEWS & ACCOMPLISHMENTS

This year we are Celebrating

- New funding for the commercialization of Intellectual Property
- Steady arrival of newcomer entrepreneurs who are now part of the Spark Centre community
- Launch of our new acceleration program – Amplify
- Expanded network of advisors/mentors and community partners to aid in the acceleration of our clients
- New government partner onboarded – Procurement Assistance Canada (PAC)
- Developed closer connections with Invest Ottawa and IRAP
- Launched Phase 2 of our CRM development

AGM
ANNUAL GENERAL MEETING

Spark
CENTRE

Residency at Spark

Residency at Spark Centre is an opportunity for clients to cohabitate alongside other startups, exchange ideas and encourage each other to boldness. Spark Centre experts and staff work side by side with founders to build momentum. Businesses benefit from the collaborative culture and support each other as the next generation of innovators!

A man with glasses and a black hoodie with a white logo is sitting in a black wheelchair. He is wearing a lanyard with a badge that says 'TECHNEX'. The background is a red wall with some faint white lines and a whiteboard with diagrams.

Shanjay Sai Ayanathan
Accession Technologies

RESIDENCY AT SPARK CENTRE

Innovate with **Inspiration!**



Client Benefits

- Shared services help clients punch above their weight
- Access to advisors, business experts and sector mentors accelerate growth
- Collaborative Culture – Founders helping founders

Facilities Available

- Desks & private offices/Boardrooms & meeting space
- Event – training room and private telephone booths
- Private podcast facility – expert videographer onsite
- In-house marketing agency supports clients with subsidized marketing, and comms
- Free Wi-Fi & accessible/Office & kitchen amenities
- Convenient parking, free after hours

Marketing & Events

The marketing team enables Spark clients to punch above their weight while at the same time helps build the Spark Centre brand as the catalyst of Durham Region's innovation culture. Our goal is to attract new technology and innovation startups, community leaders, investors and partners through outreach and events to create a robust entrepreneurial ecosystem!



Zack Magerman
FitSensive

Marketing

NEWS & ACCOMPLISHMENTS

- Expanded our online presence to speak to our numerous online audiences and executed a brand refresh
- Added a private podcast facility – expert videographer onsite
- Published the 20th issue of *The Spark* magazine
- Introduced SparkCAST and Synergy On Record podcasts to highlight innovation, insight and inspiration throughout the region
- Introduced Monday Mornings with Creative Spark to provide clients with marketing advice and creative support
- Wrote and published 15 Growth Stories, celebrating clients' success in the region

AGM
ANNUAL GENERAL MEETING



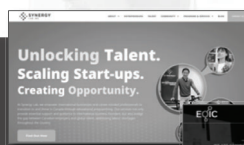
Spark
CENTRE

Connecting Community

DRIVING ONLINE TRAFFIC TO DURHAM REGION



Synergy Lab
synergylab.ca



Creative Spark
creative-spark.ca



Durham RTDS
durhamrtds.ca



EO C
eastinnovation.ca



The Spark:
thesparkmagazine.ca

A Diversified Online Portfolio

Having multiple websites across the organization not only offers us the benefit of an expanded digital footprint, but also speaks to the various ways the Spark Group of Companies serves our community to help build economic impact. Each website targets a different audience, allowing us to connect with our many clients and stakeholders.



startupgrind

📍 EASTERN ONTARIO, CA

ENTREPRENEURIAL EVENT SUCCESS

Startup Grind is the largest independent startup community, actively educating, inspiring and connecting entrepreneurs around the world.

As the Eastern Ontario chapter, we hosted 10 Startup Grind events with partners such as Durham RTDS, Queen's University and PARO Centre for Women's Enterprise. We collaborated with a science and technology hub in Northern Ireland to host a pitch event, covered important topics such as Women Leaders - A Sustainable Future, and inspired our Startup Grind community with the incredible stories of speakers such as Andrea Dalzell, healthcare and accessibility advocate, and Dan Desjardins, CEO of Distributive.

startupgrind.com/eastern-ontario

Marketing & Event Stats

KEY PERFORMANCE INDICATORS



★ **63** ★
TOTAL
EVENTS

Includes: Meetups, Events, Workshops & Socials



4185
TOTAL
ATTENDEES



1594%
NEWSLETTER
OPEN RATE



35%
NEWSLETTER
READERSHIP
INCREASE



177%
CLICK RATE
INCREASE

THE SPARK ★
20 ISSUES
TO DATE



CREATIVE
spark ★

21 NEW
CLIENTS
BRANDED
& MARKETING

ELITE PARTNER

A Big Thank You to our **Elite Partners**



Educating clients through **Masterclasses** and **1:1 Advisory** support.

1

**Bereskin
& Parr**

Specializing in:

Intellectual
Property
Trademarks
Patents
Copyrights

2

COLDWELL BANKER
RMR REAL ESTATE
BROKERAGE

Specializing in:

Relocation
Consultancy
Property
Procurement
Area Education

3

FINANCE
WITHOUT BORDERS
WORK WITH US

Specializing in:

Human
Resources
Growth Strategies
Compliance
Virtual CFO

4

LEYTON
Empower your future

Specializing in:

Innovation
Funding
Sales Tax
Recovery
Government Grants

5

RDP

Specializing in:

SR&ED Tax
Credits
Government Grants
Funding
Consultancy

6

SURESH
LAW

Specializing in:

Corporate
Technology Law
Real Estate Law
Services
SME Consultant

7

REAL ESTATE
REFRESHED

Specializing in:

Relocation
Consultancy
Property
Procurement
Area Education

KEY FUNDING PARTNERS

Our valued **partners** help build a thriving innovation economy and robust support system for the **entrepreneurs** who are contributing to wealth and **job creat** in our region and beyond.



MINISTRY OF ECONOMIC DEVELOPMENT, JOB CREATION & TRADE

The Ministry of Economic Development, Job Creation and Trade supports world-class research, commercialization and innovation taking place across Ontario through a range of programs and services like the Ontario Research Fund, Innovation Demonstration Fund, Ontario Venture Capital Fund and the Ontario Network of Entrepreneurs. The Ministry is the primary funder of Spark Centre.



ONTARIO CENTRE FOR INNOVATION (OCI)

The Ontario Centre of Innovation (OCI) maximizes the commercial impact of research developed in Ontario's colleges, universities, and research hospitals, and accelerates the commercialization of Made-in-Ontario intellectual property and technologies. They focus on helping Ontario innovators get connected with the researchers, industry partners and funding needed to commercialize and scale.



CITY OF OSHAWA

The City of Oshawa is the largest municipality in Durham, both in terms of population and concentration of business activity. The City benefits from its diverse economy balanced between services such as health care, information technology and education along with a stable base of advanced manufacturing. The city has also seen historic levels of physical growth setting development records in each of the last five years. The City of Oshawa is a crucial partner, funder and supporter of Spark Centre.



INVEST DURHAM – DURHAM REGION ECONOMIC DEVELOPMENT & TOURISM

Invest Durham leads, facilitates and supports various investment attraction and expansion initiatives. Our goal is to create and retain jobs, increase non-residential assessment and promote the region as the best place to live, work and invest. Invest Durham is a division of the Regional Municipality of Durham and is a significant supporter and funder of Spark Centre.

BOARD OF DIRECTORS

AGM
ANNUAL GENERAL MEETING



Gary Arosz
Chair



Christopher A. Leong
Director



Hari Sambasivam
Director



John Dynes
Director



Nikki Stone
Director



Lori Sterling
Director



Randolph Mank
Director



Marina Avisar
Director



Saleema Khimji
Director



Roger Pan
Observer



Simon Gill
Observer



Hailey Wright
Observer

OUR ECOSYSTEM

Thank You to our Partners & Affiliates



Client Showcase

Please join us in welcoming this year's featured clients.

Learn more about their amazing journey, their recent accomplishments, milestones and find out what's in store for the future of their businesses.



Joel Nascimento
e a Kevaris Autonomous Services



CLIENT FEATURE

Cinareo

Karen Elliott

Co-founder

Cinareo

AGM
ANNUAL GENERAL MEETING

Spark
CENTRE

CLIENT FEATURE



Robert Onley

CEO & General Counsel

NotaryPro

Question & Answer



Need clarification? Please feel free to ask any questions you may have at this time.

Chris Giantsopoulos
Business Advisor
& Venture Specialist



Thank You

Thank you for your interest in Spark Centre,
Durham Region, Northumberland County and the
Eastern Ontario Innovation Corridor (EOIC).

sparkcentre.org | info@sparkcentre.org



In Loving Memory of
Janet Arsenault

