



2021 ANNUAL REPORT



TABLE OF CONTENTS

| | |
|-----------|------------------------------|
| 4 | Land Acknowledgment |
| 5 | Message from the Board Chair |
| 8 | Message from the CEO |
| 9 | Our Vision |
| 11 | 2021 Year in Review |
| 13 | 2021 Investments |
| 15 | Board of Directors |
| 17 | Financial Statements |



IN THE SPIRIT OF RESPECT, RECIPROCITY, AND TRUTH

we honour and acknowledge Moh'kinsstis, and the traditional Treaty 7 territory and oral practices of the Blackfoot confederacy: Siksika, Kainai, Piikani, as well as the Îyâxe Nakoda and Tsuut'ina nations. We acknowledge that this territory is home to the Métis Nation of Alberta, Region 3 within the historical Northwest Métis homeland. We acknowledge all Nations – Indigenous and non – who live, work and play on this land, and who honour and celebrate this territory. This sacred gathering place provides us with an opportunity to engage in and demonstrate leadership on reconciliation.

MESSAGE FROM THE BOARD CHAIR

Since its launch in 2018, the Opportunity Calgary Investment Fund (OCIF), like many organizations in Calgary, has been required to adapt to the ever-changing environment we are operating in to ensure we are best supporting all Calgarians.

While the fundamental vision and strategy remains, we have been laser-focused on ensuring our investment strategy is aligned with the demands observed, as many businesses face big changes related to the impacts of the pandemic and ever-changing work environment.

OCIF has never been so relevant to fill some of the critical gaps in the ecosystem to solve challenges in talent development, revitalizing the downtown core and ensuring our small and medium-sized businesses have access to the right scaffolding and capital to navigate and grow.

As I reflect on my three years on the OCIF Board, it's truly remarkable how far we have come. We are seeing signs the seeds we've planted are starting to blossom and the trajectory this city is on is amazing.

A couple early indicators that give me such hope for the future of this city:

- Calgary and Alberta broke records with \$561 million in venture capital invested in our startups last year, an increase of \$334 million since 2019.
- Our ability to attract some of the world's more prestigious incubators and accelerators, including Plug and Play, SVG Ventures | THRIVE and Endeavor, which have all made Calgary the location of their Canadian headquarters.
- Alignment of all levels of government as seen with the launch of our Innovation Ecosystem RFP and working with Alberta Innovates and Prairies Economic Development Canada on the Alberta Scaleup and Growth Accelerators Program that will bring a total of \$50 million of investment to Calgary and Edmonton.

We had our busiest year since our launch in terms of investments, capital deployed based on milestones achieved and a robust pipeline for opportunities to ensure we have the right pieces on the chess board to support Calgarians.

The six funding announcements in 2021 brought total commitments from the \$100 million fund to \$59 million in 20 investments with many focused on bringing more people and companies into the downtown core.

As I make my transition from the Board of Directors after three amazing years, I have never been more enthused about the outlook of this great City. I am grateful for the partnerships we have formed and commitment from City Council to seeing through with our evolving strategy.

On behalf of the entire Board, we would also like to thank City Council, City Administration, and the management staff at Calgary Economic Development for their efforts over the past year.

We look forward to continuing to leverage OCIF to support investments that expand the innovation ecosystems in Calgary and position the city as the location of choice for the world's best entrepreneurs and business investment.



Mark Blackwell
Board Chair
Opportunity Calgary Investment Fund



Photo: Neil Zeller



MESSAGE FROM THE CEO

The Opportunity Calgary Investment Fund (OCIF) has become a highly effective instrument for the City of Calgary to leverage private-sector investment and funding from other orders of governments to accelerate implementation of the economic strategy *Calgary in the New Economy*.

With a portfolio of 20 investments in a variety of sectors, OCIF plays an important role in advancing the economic strategy unanimously approved by City Council and the effort to spur transformative economic development to create a more inclusive economy and resilient city.

Support from OCIF has led to investment commitments from beneficiary organizations of at least \$335 million, the creation of more than 1,900 jobs and the creation or scaling of almost 500 companies.

Driving growth in Calgary's economy in the years and decades ahead is a focus for OCIF and several beneficiaries are working with Calgary companies on their pathways to net zero.

Fourteen of OCIF's 20 funding agreements are with Calgary organizations, but one of our priorities for 2021 was to find more opportunities to support local business. We issued requests for proposals (RFPs) for business accelerators and third-party fund managers to back more local entrepreneurs and early-stage companies.

The majority of OCIF agreements in 2021 came from the two RFPs. The emphasis on business accelerators meant fewer direct jobs were created than in previous years, but they focus on creating and scaling companies. The big job numbers come from the new companies that are created. One notable example is Neo Financial, which emerged from Harvest Builders' venture studio, an OCIF beneficiary in 2020. Neo had grown to more than 400 employees by 2021, occupied over 60,000 sq. ft. of downtown office space and continues to expand.

Attracting anchor companies that create large numbers of tech jobs and take up significant downtown real estate remains a major focus for OCIF along with supporting tech training to create a stream of talent to fill the new jobs.

As OCIF works to support economic growth, diversification and innovation in Calgary, we are fortunate to be able to collaborate with agencies of both the Government of Alberta and Government of Canada to attract private-sector investment. We look forward to building on the relationships to better leverage our strengths.

I want to thank our staff for all their hard work over the last year. I also want to express my sincere appreciation and gratitude to Mark Blackwell and the dedicated Calgarians who volunteer to serve on the OCIF Board of Directors. Your incredible work ethic, invaluable insights and commitment to make Calgary a destination for people and companies who want to change the world is inspiring.

Brad Parry
President and Chief Executive Officer
Calgary Economic Development

OUR VISION

The Opportunity Calgary Investment Fund (OCIF) makes leveraged investments that accelerate the economic strategy *Calgary in the New Economy* and will be catalysts to expand the innovation and technology ecosystem.

BY THE NUMBERS

| CATEGORY | TOTAL | 2021 |
|------------------------------------|-------------------|-----------------|
| Projects announced | 20 | 6 |
| Funds committed | \$59 M | \$18.3 M |
| Total investment size ¹ | \$335 M - \$680 M | Up to \$44 M |
| Total jobs ^{1,2} | 1,920 | 20 ³ |
| Funded | 1,615 | 20 |
| Unfunded | 305 | – |
| Companies supported ¹ | 483 | 359 |
| Funds disbursed | \$13.6 M | \$6.5 M |

¹ Forecast over average project period of three to five years ² Includes Calgary jobs created, attracted, and retained
³ Jobs directly with business accelerators supported; not the companies they create

INVESTMENT PORTFOLIO

2021

Endeavor Canada
 SVG Ventures | THRIVE

Plug and Play Alberta
 Accelerate Fund III

CDL-Rockies
 Movement51

2020

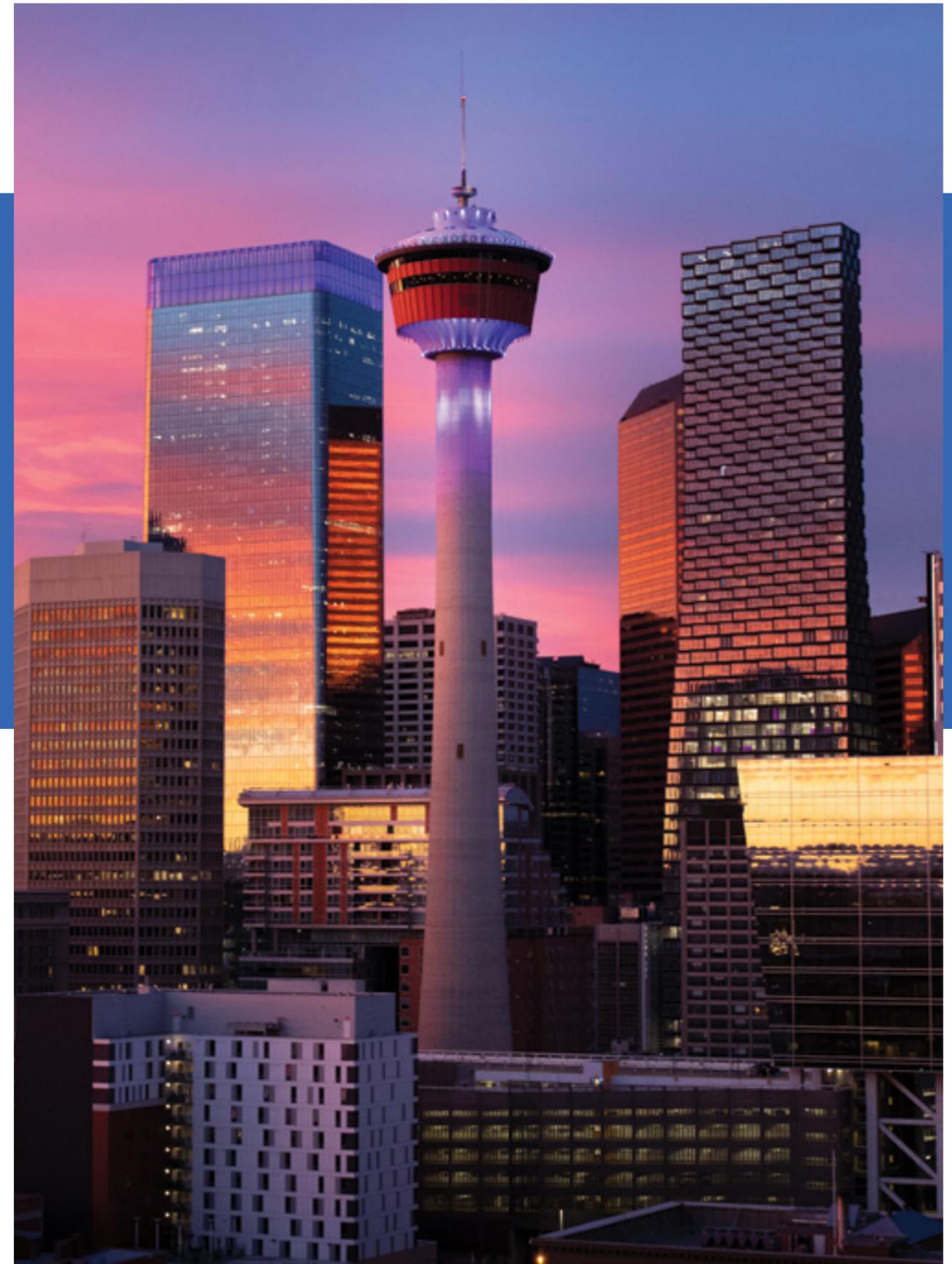
Harvest Builders
 AltaML
 SAIT DX Talent Hub
 Alberta IoT
 LodgeLink

2019

Life Sciences Innovation Hub
 NPower Canada
 Parkland Fuel
 Finger Food (Unity
 Technologies)
 HATCH-YYC
 Lighthouse Labs
 InterGen

2018

MobSquad
 Attabotics



2021 IN REVIEW

The Opportunity Calgary Investment Fund prioritized investments that strengthen the innovation ecosystem and support local entrepreneurs. The Board of Directors approved a greater focus on investments that make Calgary a destination of choice for innovators and entrepreneurs and grow more local companies across their life cycle.

The focus for investments by OCIF is well defined:

- Initiatives that expand and develop the innovation ecosystem.
- Early-stage startups accessing seed funding.
- Initiatives that develop a local stream of tech talent.
- Attracting anchor and star companies that create high-skill jobs.



In March, the Board allocated approximately \$30 million from the Fund and issued a Request for Proposal (RFP) for financial support for business accelerators (approx. \$20 million) and another for support for third-party fund managers (approx. \$10 million). Support for an arm's-length investment vehicle came about because of the lack of pre-seed capital in the market. The investment firms bring expertise and the ability to expedite investment in early-stage companies.

With the six funding agreements announced in 2021, OCIF has a diverse portfolio of 20 investments – 70 per cent with Calgary organizations – that advance the economic strategy *Calgary in the New Economy*. The support for business accelerators last year created 20 direct jobs but the key milestones for those agreements focus on companies created or scaled. The jobs associated with them are not accounted for in OCIF metrics.

The investments are projected to spur a minimum of \$355 million in economic activity over five years. They will support the creation or scaling of over 480 companies, absorb almost 450,000 square feet of office and commercial space, support the creation or retention of more than 1,900 high-skill jobs and create more than 2,500 individual tech training completions.

OCIF worked with Alberta Innovates and PrairiesCan as part of the Alberta Scaleup and Growth Accelerators Program launched in 2021. It gives Calgary the ability to leverage funds from the private sector and other orders of government to support economic growth and diversification. OCIF's support for SVG Ventures | THRIVE and Plug and Play Alberta aligned with the program.

As companies adjusted to year two of COVID-19, they achieved more milestones and OCIF disbursed \$6.5 million to beneficiaries in 2021; more than any year since its inception in 2018.

There were several changes to the OCIF Board. Former Mayor Naheed Nenshi and Councillor Jeff Davison left when their terms on City Council ended and were replaced by Mayor Jyoti Gondek and Councillor Sonya Sharp. Cheryl Gottselig of Burnet, Duckworth & Palmer LLP completed her term while Sebastien Gittens, a partner at Bennett Jones LLP, and Hanif Joshaghani, Co-Founder & CEO of Symend, joined the Board.



2021 INVESTMENTS

March

ENDEAVOR CANADA

(Up to \$1 million)

Headquartered in Calgary, Endeavor Canada provides tailored support for entrepreneurs with a network of investors who fund top organizations worldwide. The program is open to entrepreneurs across Canada with 25 per cent from Calgary. Endeavor provides a road map for startups from high-impact entrepreneurs who have built large, innovative companies.

June

SVG VENTURES | THRIVE

(Up to \$1 million)

Calgary is the first Canadian location for global business accelerator SVG Ventures | THRIVE. Over two years, it will identify, select, and mentor at least 25 Canadian agrifood startups, targeting four Calgary-based and 10 other Alberta-based companies. Companies will be developed and introduced to THRIVE's corporate partners and international investor network.

November

PLUG AND PLAY ALBERTA

(Up to \$7 million)

Headquartered in Calgary, Plug and Play Alberta will deliver programs in both Calgary and Edmonton. Over five years, Plug and Play will offer companies sector agnostic and sector specific programming (digital health, sustainable clean resources) that includes workshops and webinars, mentoring and coaching, investment pitch opportunities and supporting pilot-projects.

ACCELERATE FUND III

(\$6 million)

To help address a funding gap, OCIF is increasing the amount of seed stage/pre-Series A capital available to emerging local entrepreneurs. The Fund is managed by Yaletown Partners in partnership with the A100. OCIF contributed to an existing \$16.7 million fund that is managed by experts in early-stage investments.

December

CREATIVE DESTRUCTION LABS – ROCKIES

(Up to \$3 million)

CDL-Rockies is a Canadian business accelerator using OCIF support to offer three program streams – Agtech, Energy and Prime (sector agnostic). CDL-R is located at UCalgary's Haskayne School of Business and will support 120 early-stage ventures through its main programs and another 200 through its Nurture program.

MOVEMENT51

(Up to \$333,000)

Movement51 is the not-for-profit arm of Calgary-led venture The51 created to empower women-identifying investors. Funding from OCIF will support the graduation of 165 people from the six-week Financial Feminism Investing Lab to drive innovation and advance the economy through a gender-aware lens.



BOARD OF DIRECTORS

The governance and decision making for OCIF resides with a 12-member volunteer Board of Directors comprised of two representatives from City Council and respected local business and community leaders experienced in complex, sophisticated and creative investment deals in a variety of sectors. The Board provides direct decision-making input, oversight, and guidance to ensure OCIF has efficient processes, rigorous reviews of clients' applications and business plans, and maintains transparency and accountability.

Directors*

Mark Blackwell
Partner, Builders VC, Board Chair

Nancy Laird
Corporate Director, Vice-Chair

Jill Angevine
Corporate Director

Michael Brown
President, Trico Residential

Ian Bruce
Former CEO, Peters & Co.

Dr. M. Elizabeth Cannon, O.C.
President Emerita, University of Calgary

Sebastien Gittens
Partner, Bennett Jones LLP

Jyoti Gondek
Mayor of Calgary

Hanif Joshaghani
Co-Founder & CEO, Symend

Joe Lougheed
Partner, Dentons LLP

Alice Reimer
Site Lead, CDL-Rockies

Sonya Sharp
Councillor Ward 1

Officers*

Brad Parry
Interim President and Chief Executive Officer, Calgary Economic Development



Management's Responsibility

To the Board of Directors of Opportunity Calgary Investment Fund Ltd.:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Company's external auditors.

MNP LLP is appointed by the Board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

March 18, 2022



Brad Parry
Chief Executive Officer
Opportunity Calgary Investment Fund Ltd.



Trevor McKay
Controller
Opportunity Calgary Investment Fund Ltd.

To the Board of Directors of Opportunity Calgary Investment Fund Ltd.:

Opinion

We have audited the financial statements of Opportunity Calgary Investment Fund Ltd. (the "Company"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and the results of its 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 Company 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Calgary, Alberta

March 18, 2022

MNP LLP

Chartered Professional Accountants



Opportunity Calgary Investment Fund Ltd. Statement of Financial Position

As at December 31, 2021

| | 2021 | 2020 |
|---|----------------|----------------|
| Assets | | |
| Current | | |
| Cash | 139,598 | 103,054 |
| Amounts receivable (Note 3) | 30,191 | 18,014 |
| Prepaid expenses | - | 344 |
| Restricted cash (Note 5 and Note 7) | 211,373 | 450,370 |
| | 381,162 | 571,782 |
| Liabilities | | |
| Current | | |
| Accounts payable and accrued liabilities (Note 4) | 129,819 | 85,127 |
| Due to related party (Note 7) | 39,969 | 36,284 |
| Deferred revenue (Note 5) | 211,373 | 450,370 |
| | 381,161 | 571,781 |
| Net Assets | | |
| Share capital | 1 | 1 |
| | 381,162 | 571,782 |

Approved on behalf of the Board

Director

Director

Opportunity Calgary Investment Fund Ltd.
Statement of Operations
For the year ended December 31, 2021

| | 2021 | 2020 |
|--|------------------|----------------|
| Revenue | | |
| City of Calgary (Note 7) | 1,157,608 | 918,920 |
| Expenses | | |
| Corporate services (Note 7) | 611,435 | 512,335 |
| Legal services | 345,236 | 247,373 |
| Professional services | 186,747 | 108,050 |
| Technology services (Note 7) | 14,190 | 51,162 |
| | 1,157,608 | 918,920 |
| Excess of revenue over expenses | - | - |

Opportunity Calgary Investment Fund Ltd.
Statement of Changes in Net Assets
For the year ended December 31, 2021

| | 2021 | 2020 |
|--|------|------|
| Net assets, beginning of period | 1 | 1 |
| Excess of revenue over expenses | - | - |
| Net assets, end of period | 1 | 1 |

Opportunity Calgary Investment Fund Ltd.
Statement of Cash Flows
For the year ended December 31, 2021

| | 2021 | 2020 |
|--|------------------|------------------|
| Cash provided by (used for) the following activities: | | |
| Operating | | |
| Excess of revenue over expenses | - | - |
| <hr/> | | |
| Changes in working capital accounts | | |
| Amounts receivable | (12,177) | (4,214) |
| Prepaid expenses | 344 | (344) |
| Accounts payable and accrued liabilities | 44,692 | 52,847 |
| Due to related party | 3,685 | (11,511) |
| Deferred revenue | (238,997) | (269,311) |
| | (202,453) | (232,533) |
| <hr/> | | |
| Decrease in cash and cash equivalents | (202,453) | (232,533) |
| Cash and cash equivalents, beginning of year | 553,424 | 785,957 |
| <hr/> | | |
| Cash and cash equivalents, end of year | 350,971 | 553,424 |
| <hr/> | | |
| Cash and cash equivalents are composed of: | | |
| Unrestricted cash | 139,598 | 103,054 |
| Restricted cash | 211,373 | 450,370 |
| | 350,971 | 553,424 |

Opportunity Calgary Investment Fund Ltd.
Notes to the Financial Statements
For the year ended December 31, 2021

1. Incorporation and nature of the organization

Opportunity Calgary Investment Fund Ltd. (the "Company") was incorporated under the authority of the Business Corporations Act on April 19, 2018. The Company is registered as a non-profit organization under the Income Tax Act of Canada (the "Act") and is exempt from income taxes. The Company is a wholly owned subsidiary of the City of Calgary ("The City") and is governed under a unanimous shareholders agreement declared on May 11th, 2018. On May 31, 2021, OCIF and The City amended their Operating and Funding Agreement to include the ability to allocate funds up to \$10,000,000 from Reserve towards investment in a Fund Manager.

The Company was established with a mandate to manage the \$100,000,000 Fund Reserve ("Fund Reserve") effectively and in a manner that creates an environment within The City of Calgary that encourages economic recovery and growth, helps reduce the impact of the economic downturn on Calgary's citizens and businesses and capitalizes on new opportunities to support Calgary's economic success into the future. The Fund Reserve is an interest-bearing capital and operating reserve fund held and administered by The City, as such, is not reflected in these financial statements.

The Company, in part by engaging the services of Calgary Economic Development Ltd. ("CED"), establishes and carries out a contribution program pursuant to which the Company, as steward of the Fund Reserve, will select, or in certain instances recommend to Calgary City Council ("Council") projects with The City of Calgary in which to contribute Fund Reserve funds.

The Company is required to conduct and manage the intake and review of applications and business cases, present reviewed business cases to the Company's Board or if required to present The City of Calgary Priorities and Finance Committee and Council for consideration; maintain timely and appropriate communication with applicants and The City, develop and enter into contribution agreements; request disbursement of funds from the Fund Reserve; and monitor and manage the execution and performance of contribution agreements. Upon approval of an application and business case and execution of a contribution agreement, the Company will deliver a request for funds to The City. The City is responsible for the disbursement of requested funds to the beneficiary from the Fund Reserve.

2. Significant accounting policies

Basis of accounting

The financial statements are expressed in Canadian dollars. The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations, with the optional 4200 series, as established by the Public Sector Accounting Board. The significant policies are described below.

Cash

Cash includes balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash. Restricted cash will be utilized on future eligible expenditures.

Revenue recognition

The Company follows the deferral method of accounting for City of Calgary funding. These funds are recognized as revenue in the year in which the related direct costs required to administer the Fund Reserve are incurred. Interest income is recognized as revenue when earned.

Use of estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations in the periods in which they become known.

Opportunity Calgary Investment Fund Ltd.
Notes to the Financial Statements
or the year ended December 31, 2021

2. Significant accounting policies (Continued from previous page)

Financial instruments

The Company recognizes its financial instruments when the Company becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with PSAS Section 2200 *Related Party Disclosures* (refer to Note 7).

At initial recognition, the Company may irrevocably elect to subsequently measure any financial instrument at fair value. The Company has not made such an election during the year.

Transaction costs related to financial instruments remeasured at fair value at each reporting date are expensed in the period, whereas they are added to the carrying value of the financial instrument for those measured at cost or amortized cost.

Financial asset impairment

The Company assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Company determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Company reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year deficiency of revenue over expenses. The Company reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the statement of operations in the year the reversal occurs.

Contributed materials and services

The Company receives various contributions in the form of material or services that it uses to carry out its objectives. Because of the difficulty in determining the fair value of these materials and services, the Company does not recognize the amounts in the financial statement.

Measurement uncertainty

In early 2020 there was a global outbreak of COVID-19 (Coronavirus), which has had a significant impact on businesses and governments through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation orders. The extent to which the Company is impacted will depend on future developments, which are highly uncertain and that cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing in Canada and other countries, business closures or business disruptions and the effectiveness of actions taken in Canada and other countries to fight the virus.

The amounts recorded in these financial statements are based on the latest reliable information available to management at the time the financial statements were prepared where that information reflects conditions as at the date of the financial statements. However, there is inherent uncertainty about these assumptions and estimates which could result in outcomes that require adjustments to the carrying amount of the affected assets or liabilities in the future.

Opportunity Calgary Investment Fund Ltd.
Notes to the Financial Statements
For the year ended December 31, 2021

3. Amounts receivable

Amounts receivable relates to the following:

| | 2021 | 2020 |
|-------------------------------------|---------------|--------|
| Goods and Services Taxes receivable | 30,191 | 18,014 |

4. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities relate to the following:

| | 2021 | 2020 |
|-------------------------------|----------------|--------|
| Trade accounts payable | 18,480 | 3,307 |
| Accrued liabilities | 111,339 | 81,820 |
| Balance, end of period | 129,819 | 85,127 |

5. Deferred revenue

Deferred revenue consists of unspent funds from The City which are restricted for direct costs to administer the Fund Reserve. Recognition of these amounts as revenue is deferred to periods when the specified expenses are made. Changes in the deferred revenue balance are as follows:

| | 2021 | 2020 |
|---|--------------------|-----------|
| Balance, beginning of period | 450,370 | 719,681 |
| Funding received | 918,611 | 649,609 |
| Amounts recognized as revenue during the period | (1,157,608) | (918,920) |
| Balance, end of period | 211,373 | 450,370 |

6. Income taxes

The Company is registered as a tax-exempt organization under the Act, and as such is exempt from income taxes. In order to maintain its tax-exempt status under the Act, the Company must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

Opportunity Calgary Investment Fund Ltd.
Notes to the Financial Statements

For the year ended December 31, 2021

7. Related party transactions

The Company has an Operating and Funding Agreement (“Agreement”) with The City effective May 11, 2018.

The City of Calgary and affiliates

Related party balances and transactions with The City consist of:

| | 2021 | 2020 |
|---|----------------|----------------|
| Opening balance restricted cash | 450,370 | 719,681 |
| Cash received from The City | 918,611 | 649,609 |
| Revenue recognized | (1,157,608) | (918,920) |
| Year end balance restricted cash | 211,373 | 450,370 |

Calgary Economic Development Ltd.

CED and the Company are related by virtue of common control as they are wholly owned subsidiaries of The City, share two common Board of Director members and have common management.

The Company entered into an Administrative Services and Fund Management Agreement with CED effective April 19, 2018. This agreement is in consideration of the performance of the administrative services and the management of the Fund Reserve by CED for a management fee of \$1 per month.

In addition, CED will be reimbursed by the Company for reasonable out-of-pocket costs and expense incurred directly by CED including costs or expenses incurred by the retention of additional personnel specifically for the Company.

Related party balances and transactions with CED consist of:

| | 2021 | 2020 |
|-----------------------|----------------|----------------|
| Due to related party: | | |
| Corporate services | 38,239 | 35,071 |
| Technology services | 1,730 | 1,213 |
| Total | 39,969 | 36,284 |
| Expenses: | | |
| Corporate services | 517,797 | 480,241 |
| Technology services | 13,335 | 14,218 |
| Total | 531,132 | 494,459 |

All transactions are in the normal course of operations and have been recorded at the agreed exchange amounts that have been negotiated between the parties.

Opportunity Calgary Investment Fund Ltd.
Notes to the Financial Statements

For the year ended December 31, 2021

8. Contribution Agreements

The Company develops and executes Contribution Agreements with approved Beneficiaries. Each Contribution Agreement defines the Project, the estimated costs of the Project, schedule of payment and milestones for disbursements of funds that will be made by The City to the Beneficiary, the terms and conditions upon which the funds will be disbursed and restrict the Beneficiaries use of its allocation of the Fund Reserve to the subject of the Project. Further, the Contribution Agreement defines the expected economic outcomes and timeline in respect of the Project; provides for the return of funds from the Beneficiary to The City in the event of a material breach in terms of the Contribution Agreement, or abandonment, delay or suspension of the Project for greater than six months; and provides requirements for the reporting by the Beneficiary to the Company on the status of the subject Project and the use of the disbursed Fund Reserve funds. On May 31, 2021, OCIF and The City amended their Operating and Funding Agreement expanding the ability to include an allocation of funds up to \$10,000,000 from Reserve towards investment in a Fund Manager.

The Company will monitor and manage each Contribution Agreement until all obligations of the Beneficiary have been satisfied in full. The Company will not approve and recommend The City to action a payment until the correlating milestones are achieved.

As at December 31, 2021, the Company has executed 20 Contribution Agreements and delivered to The City a commitment for funds totalling up to \$59.0 million of which \$13.6 million of instalments have been paid. Total anticipated future payments by The City are as follows:

| | |
|--|---------------------|
| 2022 | \$13,969,451 |
| 2023 | \$12,625,951 |
| 2024 | \$8,265,951 |
| 2025 | \$4,874,823 |
| 2026 | \$5,774,824 |
| Total anticipated future payments by The City | \$45,511,000 |

9. Financial instruments

General objectives, policies and processes

The Board of Directors, through the Audit Committee, has overall responsibility for the determination of the Company's risk management objectives and policies and, while retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation of the objectives and policies to the Company's management. The Board of Directors receives periodic reports from the Company's management through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term requirements, considering its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Opportunity Calgary Investment Fund Ltd.
Notes to the Financial Statements

For the year ended December 31, 2021

9. Financial instruments *(Continued from previous page)*

The following table sets out the contractual maturities of financial liabilities:

| 2021 | <i>0-90 days</i> | <i>91 days and older</i> | Total |
|------------------------|------------------|--------------------------|----------------|
| Due to related party | 39,969 | - | 39,969 |
| Trade accounts payable | 18,480 | - | 18,480 |
| Accrued liabilities | 111,339 | - | 111,339 |
| Total | 169,788 | - | 169,788 |

| 2020 | <i>0-90 days</i> | <i>91 days and older</i> | Total |
|------------------------|------------------|--------------------------|----------------|
| Due to related party | 36,284 | - | 36,284 |
| Trade accounts payable | 3,307 | - | 3,307 |
| Accrued liabilities | 81,820 | - | 81,820 |
| Total | 121,411 | - | 121,411 |

10. Share capital

On April 20th, 2018, the Company issued one common share to The City.





2021 ANNUAL REPORT