

# Innovation Saskatchewan

## Annual Report for 2020-21

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# Letters of Transmittal



The Honourable  
Jeremy Harrison  
Minister Responsible  
for Innovation  
Saskatchewan

Office of the Lieutenant Governor of Saskatchewan

On behalf of Innovation Saskatchewan, I have the honour to present the Annual Report of Innovation Saskatchewan for the 2020-21 fiscal year, which ended on March 31, 2021.

The COVID-19 pandemic has created significant challenges for many sectors across the province. However, being proactive and collaborating with key stakeholders has been critical in ensuring the province's tech and innovation sectors do not just make it through this pandemic, but that they thrive on the other side. Innovators and entrepreneurs have proven their resiliency and shown that their organizations will be significant economic drivers in Saskatchewan.

Innovation Saskatchewan ensures research undertaken at the agency's funded institutes creates economic impact, a return on investment, and is aligned with Saskatchewan's research and development priorities. Knowledge and innovation will continue to play an important part in Saskatchewan's future economic success.

In this report, you will read the 2020-21 highlights from the six organizations Innovation Saskatchewan funds to further advance research and technology development in academia and industry, how the Innovation Science Fund continues to play a role with the post-secondary institutes on ground-breaking research, and how the Saskatchewan Advantage Innovation Fund and the Agtech Growth Fund continue to identify and support research and development in each of the province's core sectors.

Innovation Saskatchewan also continues to work to advance the technology sector through programs including the Saskatchewan Technology Startup Incentive (STSI), the Made in Saskatchewan Technology Program (MIST), and works to solve public challenges through the Innovation Challenge program. It also works with partners, such as SaskTech, post-secondary institutes, and ComIT, to understand stakeholder needs and ensure the sustained growth of the sector.

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

A handwritten signature in black ink, appearing to read 'Jeremy H.' with a stylized flourish at the end.

Honourable Jeremy Harrison  
Minister Responsible for Innovation Saskatchewan



Kari Harvey  
CEO of Innovation  
Saskatchewan

The Honourable Jeremy Harrison, Minister Responsible for Innovation Saskatchewan.

Dear Minister Harrison:

I have the honour of submitting the Annual Report of Innovation Saskatchewan for the fiscal year ending March 31, 2021. This report has been prepared and carefully reviewed under my direction, and accurately represents the activities and accomplishments of our agency during the past year.

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

Kari Harvey  
Chief Executive Officer  
Innovation Saskatchewan

# Organization Overview

This annual report for Innovation Saskatchewan presents the agency's results for the fiscal year ending March 31, 2021. It demonstrates the agency's commitment to effective public performance reporting, transparency, and accountability.

Innovation Saskatchewan's activities in 2020-21 align with the Government of Saskatchewan's vision "... to be the best place in Canada – to live, to start a business, to get an education, to raise a family, and to build a life," as well as its four goals:

- Sustaining growth and opportunities for Saskatchewan people;
- Meeting the challenges of growth;
- Securing a better quality of life for all Saskatchewan people; and,
- Delivering a responsive and responsible government.

Innovation Saskatchewan supports the achievement of these goals and works towards security and prosperity for the province.

## Overview

Innovation Saskatchewan is the central agency of the Government of Saskatchewan with responsibility for implementing Saskatchewan's innovation priorities. With 13 full-time staff, a main office located at Innovation Place research park in Saskatoon and a second office located in Regina, Innovation Saskatchewan works to produce economic benefits for the people of Saskatchewan through innovation.

Saskatchewan's Growth Plan: The Next Decade of Growth, released on November 14, 2019, recognizes the impact innovation will have on the province's economic future. Specifically, Innovation Saskatchewan's mandate has a pivotal role in achieving the province's goal of tripling the growth of Saskatchewan's technology sector by 2030. Through *The Innovation Saskatchewan Act*, proclaimed on November 2, 2009, the role of the organization is to:

- Facilitate the coordination and strategic direction of the Government of Saskatchewan's support for research and development, and science and technology— to foster the development of new ideas, products, and processes—to ensure the long-term sustainable growth of Saskatchewan's economy.
- Provide advice and guidance to the Government of Saskatchewan concerning its science and technology policy, and to establish, measure, monitor, and report on the Government of Saskatchewan's strategies and goals for advancing innovation in Saskatchewan.
- Coordinate and support the establishment and maintenance of science, research, and development infrastructure in Saskatchewan.
- Provide recommendations and advice to the Government of Saskatchewan concerning research, development, demonstration, and the commercialization of new technologies and innovative processes in Saskatchewan. These include policies that may better coordinate, support, foster, promote, and facilitate research, development, demonstration, and the commercialization of technology.
- Undertake any program or activity, on request of the Lieutenant Governor in Council, for the purpose of achieving the objectives described above.
- Undertake any other prescribed programs and activities.

Within the context of an evolving innovation ecosystem and other various consultations, a revised strategic plan and the creation of new strategic goals were developed in late summer 2020. Approved by the Innovation Saskatchewan Board of Directors in September 2020, the team has since been focusing its efforts on implementing its strategy. Actions taken in the first six months of operating under the revised strategic plan included continued support of its research institutes, commercialization of tech companies, and the broader tech sector. Innovation Saskatchewan also prioritized building an agtech hub and expanding its communication resources. Moving forward, Innovation Saskatchewan will continue those efforts while increasing exploration and investment into clean and health technologies, sharing the Saskatchewan advantage, and supporting a growing tech sector.

## **Mission Statement**

Innovation Saskatchewan's mission is to be an innovation catalyst serving the needs of individuals, companies, and institutions, as well as to enhance the benefits of innovation in Saskatchewan through:

- Developing an environment that encourages and rewards innovation.
- Strengthening the ability of the private sector to innovate and implement innovations, leading the commercialization of new, high value-added products and improved competitiveness.
- Fostering coordinated public sector research, development, and technology transfer targeted at economic growth for the Province of Saskatchewan.

## **Vision**

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

## **Legislation**

Innovation Saskatchewan is responsible for the *Innovation Saskatchewan Act* and the *Saskatchewan Technology Start-up Incentive Act (STSI)*.

## Board of Directors

In 2020-2021, board members provided strategic advice to the agency with their diverse backgrounds in industrial sectors of importance to Saskatchewan.

The members of the Innovation Saskatchewan Board of Directors for 2020-21 were:

**Honourable Tina Beaudry-Mellor (Chair)**

**March 2020-November 2020**

*Minister Responsible for Innovation Saskatchewan*

**Mr. Thomas Benjoe**

*President and CEO, FHQ Developments, Regina, SK*

**Honourable Jeremy Harrison (Chair)**

**November 2020-March 2021**

*Minister Responsible for Innovation Saskatchewan*

**Mr. Marty Seymour**

*Director of Industry Relations, Farm Credit Canada, Regina, SK*

**Ms. Dena McMartin**

*Director of Research Services and Assistant Vice President of Research, University of Saskatchewan, Saskatoon, SK*

**Ms. Sandra Zilles**

*Professor of Computer Science, University of Regina, Regina, SK*

**Mr. Derek Lothian**

*President and CEO, Insurance Brokers' Association of Saskatchewan, Regina, SK*

**Mr. Greg Sutton**

*Co-Founder and CEO, TinyEYE Therapy Services, Saskatoon, SK*

## The 2020-21 Innovation Saskatchewan Team

**Kari Harvey**

Chief Executive Officer

**Andrew Cerkowniak**

Program Manager

**Rebecca Gibbons**

Executive Director of Operations

**Kristina Rissling Olson**

Communications and Policy Analyst

**Danya Kordan**

Director of Research Institutes and Clusters

**Amanda Sampson**

Innovation Policy Analyst

**Andy Melnyk**

Director of Innovation Policy

**Kaitlin Sherven**

Innovation Policy Analyst

**Avery Vold**

Director of Corporate Strategy

**Sheri Merasty**

Executive Assistant

**Kevin Chung**

Senior Program Manager

**Ashley Randall**

Financial Administrative Assistant

**Andrew Wahba**

Senior Program Manager

# Innovation Saskatchewan COVID-19 Response Highlights

## Overview

The COVID-19 pandemic has challenged government operations during the 2020-21 fiscal year. The expected operations of programs and services changed as the Government of Saskatchewan worked quickly to support citizens and businesses. Annual Reports for the 2020-21 fiscal year provide information on the impacts of COVID-19 and recognize the work of the Government of Saskatchewan in responding to the pandemic. Through its funded programs and initiatives, Innovation Saskatchewan outlines the following direct Covid-19 response highlights:

## Organization COVID-19 Response Highlights

- Since the COVID-19 pandemic began, the Government of Saskatchewan has provided the Vaccine and Infectious Disease Organization (VIDO) with additional funding of \$4.2 million (M) to support the development of a COVID-19 vaccine and construct a new small-scale manufacturing facility to be completed in 2021. This funding is in addition to annual operations funding of \$3.8M in 2019-20 and \$4.1M in 2020-21.
- The Canadian Light Source (CLS) dedicated beamlines towards finding therapies for COVID-19.
- Innovation Saskatchewan held webinars to help support the technology industry. Webinars included:
  - Resource and Supports for Tech Companies during COVID-19.
  - Exploring Newly Announced Government Programs to Support Tech.
  - Tech Startup Opportunities from an Investor's Perspective.
- Innovation Saskatchewan also wrote blog posts on helping technology companies adapt during COVID-19, outlining support and resources available, and assisted with how to conduct business in the physical distancing economy.
- A webpage was put together to list various provincial, federal, and other relevant industry support available to the technology community.
- COVID-19 provided Innovation Saskatchewan the opportunity to explore further programming into labour market and underrepresented groups in the tech sector.

# Progress in 2020-21

## Organization Goal 1

### Government Goals



**A Strong  
Economy**



**Strong  
Communities**



**Strong  
Families**

### Organization Goal #1

Ensure Innovation Saskatchewan funded research is creating economic impact, a return on investment, and is aligned with Saskatchewan's research and development (R&D) priorities.

### Strategy

Support the commercialization of innovative new research and technologies through developing and continued partnerships with the six funded research institutes, match federal funding, encourage industry engagement, collaboration, and industry driven R&D projects, support R&D to ensure sustainable economic growth, and provide direct funding through programs such as the Innovation and Science Fund (ISF) and the Saskatchewan Advantage Innovation Fund (SAIF).

### Key Action

- Support for, including continued funding, and participation on the board of directors of six key research and/or industry specific organizations –CLS, VIDO, Saskatchewan Health Research Foundation (SHRF), International Minerals Innovation Institute (IMII), Petroleum Technology Research Centre (PTRC), and Sylvia Fedoruk Canadian Centre for Nuclear Innovation (Fedoruk Centre) - as allocated to Innovation Saskatchewan by the Government of Saskatchewan.

### Results

- Innovation Saskatchewan continued to provide provincial funding to the six organizations that play an important role in advancing research and technological development in both academia and industry. Innovation Saskatchewan promoted the achievements of those organizations across the province and Canada. Some of the highlights in 2020-2021 include:
  - The CLS, Canada's only synchrotron light source, continues to play an important role in advancing research projects that align with provincial priorities in the areas of life sciences, agriculture, and environmental impact assessment.
    - In 2020, research projects at the CLS were limited to research focused on COVID-19 treatments or prevention. Projects included anti-viral treatments, improving virus testing devices, and efficient decontamination of N95 masks for healthcare workers. Much of this was done remotely.

- Agricultural research now accounts for 8 percent of the research being conducted at the CLS, with environmental sciences at 26 percent and health sciences research at 18 percent.
    - In 2014, the first spin-off company from the CLS was created - the Canadian Isotope Innovations Corporation (CIIC). It will produce medical grade isotopes that are used in 80 percent of all diagnostic tests. CIIC continued to develop into the next business stages and attract additional public and private investment.
  - VIDO is a world-class facility responsible for developing numerous commercialized vaccines and preventing the spread of major animal diseases in the agricultural industry.
    - Since the COVID-19 pandemic began, the Government of Saskatchewan has provided VIDO with additional funding of \$4.2M to support the development of a COVID-19 vaccine and construct a new small-scale manufacturing facility to be completed in 2021. This funding is in addition to annual operations funding of \$3.8M in 2019-20 and \$4.1M in 2020-21.
    - In July 2020, VIDO proposed to expand their facility to become Canada's Pandemic Centre of Excellence – Level 4 Containment Facility. This expansion would enable VIDO to expand upon current animal capacity to house non-human animal primates for vaccine testing and human clinical trials, and would be the only Level 4 facility apart from the National Microbiology Lab (NML) in Winnipeg, which would allow for creating surge capacity, resource sharing, and quick response times.
    - VIDO began construction on their Vaccine Manufacturing Facility in October 2020. The facility is expected to be completed in 2021 with production starting in 2022. With anticipated annual production of 40M doses of vaccine, this facility will help Canada reduce its dependency on international vaccine supply and will also help introduce new vaccines to the market faster.
    - VIDO entered their first vaccine, COVAC-2, into clinical trial in February 2021 in conjunction with the Canadian Centre for Vaccinology (CCFV) in Halifax.
  - SHRF continues to provide funding for high-impact and peer-reviewed health research relevant to the province.
    - On April 1, 2020, SHRF launched their Research Connections: COVID-19 Rapid Response call for proposals. 29 grants of up to \$10,000 were awarded to researchers, with the total amount of \$250,000 spent on improving knowledge sharing around COVID-19. Projects include web and mobile applications to share COVID-19 emergent medical protocols, support remote medical healthcare, and support children in care during COVID-19 and beyond.
    - SHRF announced \$1M for interdisciplinary teams to develop, implement, and evaluate virtual care approaches to health care challenges in March 2021.
    - SHRF is committed to finding opportunities to have the tech sector provide solutions within the health sector.
  - IMII continues to provide funding for both R&D projects and education and training (E&T) programs designed to support the mining labour market including a focus on increasing the level of participation by women and Indigenous workers.
    - IMII has made commitments to digital mining transformation including the development of digital mining technologies and mining workforce reskilling initiatives.
    - IMII also launched the Alternative Energy Systems (AES) Innovation Challenge in October 2020. The Challenge presents innovators with an opportunity to advance their technology solutions in the minerals industry and two companies were selected as the winners in March 2021.
  - PTRC serves an important role in the development of enhanced oil recovery (EOR) technologies critical to maintaining and expanding Saskatchewan's petroleum production.
    - PTRC continues to play a key role in the management and operation of the Aquistore CO2 storage facility tied to SaskPower's Boundary Dam 3 CO2 capture facility. PTRC's Aquistore site has sequestered more than 340,000 tonnes of CO2 since it began operating.
    - In 2020 PTRC also released a discussion paper that explores the opportunities and next steps required to expand CO2-EOR and sequestration across the Lloydminster oil fields.

- The Fedoruk Centre continues to support nuclear research and training in the areas of nuclear medicine, materials research, agri-biotechnologies, nuclear energy, and environmental stewardship.
  - The Fedoruk Centre operates the Saskatchewan Centre for Cyclotron Sciences (SCCS). The SCCS is the province’s only cyclotron, and it develops radiopharmaceuticals to help detect, diagnose, and treat diseases such as cancer, Alzheimer’s, and Parkinson’s disease.
  - More than 2,500 positron emission tomography–computed tomography (PET-CT) scans per year are conducted using SCCS radiopharmaceuticals at the Royal University Hospital (RUH) in Saskatoon. The SCCS also supplies medical isotopes to the Foothills Medical Centre in Calgary when Alberta’s regular supplier is unable to do so.
  - The SCCS also generates revenue from the sales of isotopes and radiochemicals for research purposes, but these have also been impacted in fiscal 2020-21 due to COVID-19 restrictions.
  - The Fedoruk Centre also plays an important role in supporting academic research programs and in adding nuclear capacity and paving the way for potential small modular reactor (SMR) deployment in Saskatchewan.
- Innovation Saskatchewan also provided funding, in conjunction with the Natural Science and Engineering Research Council of Canada (NSERC) for Saskatchewan Polytechnic’s Digital Integration Centre of Excellence (DICE). DICE, located in Innovation Place in Saskatoon, opened in 2020 and allows for cutting-edge applied research and connects colleges and polytechnics across Canada with local companies to work together. DICE worked on projects with IMII on mining safety and SHRF to study Indigenous teen mental health with virtual reality.

### **Key Action**

- Through ISF, support academic research and commercialization of innovative new research and technologies by matching federal funding for projects proposed by Saskatchewan universities, colleges, and research institutes to attract and retain highly qualified personnel in the province.

### **Results**

- The projects that were funded within the 2020-2021 year supported projects at both the University of Saskatchewan and the University of Regina. The research focused on:
  - Tissue engineering – fabrication of tissue and organ substitutes that can be implanted into patients to treat and repair tissue and organ injuries.
  - The gastrointestinal tract and how it acts as both a barrier to pathogens and a gateway into the body for nutrients.
  - Equipment for the study of toxicity of environmental chemicals, such as pesticides, and search for therapeutic compounds that can enhance biological resistance towards chemicals.
  - Development of agricultural production strategies that improve nutrient use efficiency and sustainable soil use.
  - Improving cannabis-related health and safety.
  - Cold region erosion and flooding research.
  - Antimicrobial resistance.
  - Plant functional genomics.
  - Neutron scattering which will enable research in clean energy technology.
  - Research into prescription drug use during pregnancy.
  - Studying the key factor in a range of chronic diseases such as bipolar disease, Parkinson’s, etc.
  - Studying neutrinos for future direction in fundamental physics applications.

### **Key Action**

- Through SAIF, provide funding to consortiums of companies/organizations developing technological innovations that solve industry specific challenges.

## Results

- SAIF continues to support the commercialization of cutting-edge R&D projects in Saskatchewan's core economic sectors and must demonstrate broad economic, social, and environmental benefits to the relevant sectors. Projects must address a challenge or opportunity in the identified priority areas including energy, mining, manufacturing, education, or healthcare. It remains one of the core programs at Innovation Saskatchewan as program funding was fully subscribed in the 2020-21 fiscal year.
- Successful projects in 2020-2021 include:
  - Prairie Robotics – smart technology enabling waste management companies and municipalities to identify contamination in recycling streams.
  - CropPro Consulting – automated soil sampling system that provides more timely and accurate soil data for producers.
  - SuperGeoAI – a mobile application powered by artificial intelligence (AI) that can quantify wheat head kernels and identify diseases.
  - Red Leaf Pulp – the commercialization of new technologies to produce pulp from wheat straw.
  - Deep Earth Energy Production (DEEP) Corporation – first utility-scale geothermal power plant in Saskatchewan.
    - In March 2021, DEEP announced it had successfully completed its first large volume production and injection test on its geothermal project. The test allowed DEEP to acquire the data needed to finalize the well design for Canada's first 20 mega watt commercial geothermal power facility.
- To date, SAIF has produced a high return on investment:
  - 46 projects have been funded to date.
  - \$13.1M of SAIF investment committed.
  - \$47.7M in private investment attracted.
  - \$4.9M in federal investment attracted.
  - 282 percent return on investment based on private and federal funds leveraged.
  - 164 new jobs created since 2018.

# Progress in 2020-21

## Organization Goal 2

### Government Goals



**A Strong  
Economy**



**Strong  
Communities**



**Strong  
Families**

### Organization Goal #2

Build and support a sustainable and inclusive technology sector.

### Strategy

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

### Key Action

- Innovation Saskatchewan continues to fund Co.Labs, the province's first technology incubator. Co.Labs supports the formation and growth of tech startups through their early stages to prepare startups for later-stage growth programs and outside investments.
- Co.Labs supports the growth of Saskatchewan tech startups of various stages through four main programs:
  - Co.Learn: semi-annual summits for future startup founders and employees, targeting youth in high school and university.
  - Co.Launch: a three-month accelerator program for idea and prototype stage startups.
  - Co.Link: for startups with validated technologies and market traction.
  - Co.Lead: for startups experiencing rapid growth and focus on scaling-up.

### Results

- Matt Stefan became the new Executive Director on January 4, 2021, following the departure of Jordan Dutchak.
- Since its inception in 2017, Co.Labs has been successful:
  - 123 startups incubated.
  - 301 jobs created by startups.
  - \$10.3M in private equity investments attracted by startups.
  - \$18.7M in revenues generated by startups.

## Key Action

Through the Made in Saskatchewan Technology Program (MIST), help startups secure their first big customer by introducing them to government ministries and Crowns. MIST startups introduce technology to Government that could improve the delivery of services and enhance citizen experience.

## Results

- The MIST program was launched by Innovation Saskatchewan in January 2019 and as of March 2021, 32 companies have applied to the MIST program with 20 deemed eligible.
- In August 2020, a virtual MIST Showcase was presented to the Deputy Minister's Council, which allowed MIST eligible companies to profile their technology solutions to an audience of senior government officials. Hyon Software Inc. was the winner of the MIST Showcase 2020 and received an agreement to implement their solution through a six-month pilot project, along with a \$10,000 grant.
- To date, five companies have been successfully matched with government partners and have piloted their technological solutions.

## Key Actions

- Through the Innovation Challenge program, identify policy issues and develop novel technology solutions to solve public sector challenges. It allows innovators and technology entrepreneurs an entry into the technology sector by establishing government as the first major buyer of their innovation and helps build a startup around the solution.

## Results

- In 2020-2021, Innovation Saskatchewan ran one Innovation Challenge – Mental Health in Agriculture.
  - In collaboration with the Ministry of Agriculture, the challenge looked for a solution to the question: "What technological solutions can assist Saskatchewan farmers in actively monitoring their mental health?"
  - The winner of the Challenge was Bridges Health, a mental health service organization based in Saskatoon, who brought software product called "Avail" to Saskatchewan.
  - Avail is a well-being management technology solution that enables individuals to create a personalized approach to addressing their mental wellness.
  - During the residency period, the Avail platform was enhanced to better serve agriculture producers in Saskatchewan. A section of the software was designed specifically for Saskatchewan farmers. Saskatchewan mental health care professionals and community resources, particularly in rural Saskatchewan, were added to Avail as well.
  - Bridges Health presented Avail to the public in January 2021 at the Innovation Challenge Demonstration Day.
- The Innovation Challenge program has resulted in the creation of three new companies, employing a total of 10 people.

## Key Action

- Through the administration of Saskatchewan Technology Startup Incentive (STSI), a non-refundable 45 percent tax credit to individuals, corporations, and venture capital firms that invest in eligible companies, continue to connect investors to new and mature tech startups in growth stages.

## Results

- STSI continues to be a vital resource for tech entrepreneurs looking to grow their business and create jobs in Saskatchewan. It was designed to encourage investment in early-stage technology startups that bring new products to market. 2020-2021 marked the final year of a two-and-a-half-year pilot.

- The program was launched in October 2018 and has addressed the need for capital investment among emerging technology startups:
  - \$22M in private investment has been attracted.
  - \$6.47M in tax credits have been approved.
  - \$3.4 of private investment has been attracted for every \$1 of provincial tax credits issued.
  - 144 new jobs have been created by startups under the program.
  - 199 investors and 63 technology companies have been approved to raise capital.

## Key Action

- Work with institutions and partners, such as SaskTech, ComIT, the Cultivator, and others to understand the labour market needs and ensure sustainable growth of the sector across the province.

## Results

- In March 2021, Innovation Saskatchewan, in conjunction with Saskatchewan Polytechnic and SaskTech held the first Technology Roundtable event, which was well-attended. The purpose was to bring together post-secondary, government, and industry to gain insights on industry tech training needs and how industry can be supported to meet the provincial goal of tripling the Saskatchewan Tech Sector by 2030.
- In 2020-2021, ComIT, a non-profit organization that offers a three-month coding training program for underemployed and unemployed individuals in Saskatchewan, delivered two courses in Saskatoon and two courses in Regina. Since the program launched in 2018, 215 participants have completed at least one course and 80 percent of participants have found employment.
- In 2020-21, Innovation Saskatchewan worked with Cultivator, Regina's first business incubator led by Conexus Credit Union on several initiatives including:
  - Sask Startup Summit, which had over 125 attendees from 46 tech startups.
  - 24-Hour Startup, which brings together entrepreneurs, developers, and designers to pitch ideas, form teams, and build a minimum viable product over a 24-hour period. The event had 31 participants, participation from industry mentors, and had over 200 virtual spectators for the final pitch presentations.
- Since its inception, Cultivator has been very successful:
  - 52 resident companies incubated.
  - 172 jobs created in Saskatchewan.
  - \$8.4M in revenue generated.
  - \$13.4M in private investment secured with \$17.8M in government funding.
  - 396 connections made with investors.
- WESK launched the second annual Founders Table program in 2020-2021. The program is a six-month mastermind group for female tech company founders and aims to increase the success of participating businesses and build a strong community of female tech founders in Saskatchewan. In total, 31 founders have participated in the program which has doubled participants since it launched in 2019.

# Progress in 2020-21

## Organization Goal 3

### Government Goals



**A Strong  
Economy**



**Strong  
Communities**



**Strong  
Families**

### Organization Goal #3

Focus Innovation Saskatchewan's resources into agtech, cleantech, and healthtech to establish Saskatchewan as a world class sector hub.

### Strategy

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

### Key Action

- Through the Agtech Growth Fund (AGF), accelerate development of agtech in Saskatchewan. The AGF was launched in 2020-21 as a way to support R&D of cutting-edge agricultural technologies in Saskatchewan, as well as investment attraction funding of international agtech companies. The program operates in parallel to SAIF but was branded as its own program to demonstrate the commitment to growing the agtech sector.

### Results

- Innovation Saskatchewan had originally intended to hold two intakes in 2020-2021, but due to COVID-19, the spring intake was cancelled, with the program launching its first intake in fall 2020.
- 18 expressions of interest were received, and six projects were approved for funding.
  - The projects were:
    - AgMinded - Mobile grain storage equipment to provide producers with flexibility and reliability during harvest.
    - Crop Intelligence - Smart analytics software providing soil moisture insights to irrigation farmers.
    - CropPro Consulting - Automated soil sampling system that provides more timely and accurate soil data for producers.
    - Super GeoAI - Mobile application powered by artificial intelligence that can quantify wheat head kernels and identify diseases.
    - VeriGrain - Automated grain sampling system to provide producers and buyers with more representative grain samples.
    - X-Steam-inator - Chemical free weed treatment system using high pressure steam for organic farmers.

**Key Action**

- Invest and actively participate in an Agtech Venture Capital (VC) Fund to support Saskatchewan agtech companies focusing on early-stage investments in digital farm technologies.

**Results**

- Innovation Saskatchewan issued a Request for Proposals (RFP) in August 2020 for a private sector partner to manage the government's \$15M investment over five years.
- A fund manager will be announced in the 2021-2022 fiscal year.

# Financial Summary

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

Innovation Saskatchewan  
Report of Management  
For the Twelve-Month Period Ended March 31, 2021

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

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



**Kari Harvey**  
Chief Executive Officer  
Innovation Saskatchewan

**INNOVATION SASKATCHEWAN**  
**FINANCIAL STATEMENTS**  
**March 31, 2021**

## INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

### Opinion

We have audited the financial statements of Innovation Saskatchewan, which comprise the statement of financial position as at March 31, 2021, and the statement of operations and accumulated surplus, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Innovation Saskatchewan as at March 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.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Innovation Saskatchewan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the information included in 2020-21 Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or any knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing innovation Saskatchewan's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Innovation Saskatchewan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Innovation Saskatchewan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Innovation Saskatchewan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Regina, Saskatchewan  
July 14, 2021

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

**Statement 1**

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

	<i>(thousands of dollars)</i>	
<b>Financial Assets</b>	<b>2021</b>	<b>2020</b>
Due from General Revenue Fund (Note 3)	\$ 18,733	\$ 8,785
Accounts Receivable	2	36
	<u>18,735</u>	<u>8,821</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	2,184	4,417
	<u>2,184</u>	<u>4,417</u>
<b>Net Financial Assets</b>	16,551	4,404
<b>Accumulated Surplus (Statement 2)</b>	<u>\$ 16,551</u>	<u>\$ 4,404</u>

**Contractual Obligations (Note 5 and 8)**

*(See accompanying notes to the financial statements)*

**Statement 2**

**Innovation Saskatchewan  
Statement of Operations and Accumulated Surplus  
For the Year Ended March 31**

	<i>(thousands of dollars)</i>		
	<b>Budget</b>	<b>2021</b>	<b>2020</b>
	(Note 4)	Actual	Actual
<b>Revenue</b>			
Transfer from the General Revenue Fund	\$ 22,727	\$ 37,727	\$ 24,398
Interest Earned from the General Revenue Fund	-	18	238
Other	-	1	6
	<u>22,727</u>	<u>37,746</u>	<u>24,642</u>
<b>Expenses (Note 7)</b>			
Administration	2,394	2,020	1,933
Program Grants			
Saskatchewan Advantage Innovation Fund	1,000	1,304	991
Petroleum Technology Research Centre	1,675	1,675	2,000
Innovation and Science Fund	2,979	3,229	3,116
International Minerals and Innovation Institute	256	256	256
Sylvia Fedoruk Centre	2,500	2,500	2,500
Canadian Light Source	4,100	4,100	4,100
InterVac	2,131	2,131	2,131
Vaccine and Infectious Disease Organization	2,018	2,018	5,418
Saskatchewan Health Research Foundation	4,849	4,849	4,849
Saskatchewan Collaborates Inc. (Tech. Incubator)	375	375	250
Technology Ecosystem Program (Regina Startups Programs)	350	220	376
Made In Saskatchewan Technology	100	15	40
Agtech Growth Fund	1,000	907	-
	<u>25,727</u>	<u>25,599</u>	<u>27,960</u>
<b>Annual Surplus/(Deficit)</b>	<u>(3,000)</u>	<u>12,147</u>	<u>(3,318)</u>
<b>Accumulated Surplus, Beginning of Year</b>		<u>\$ 4,404</u>	<u>\$ 7,722</u>
<b>Accumulated Surplus, End of Year (Statement 1)</b>		<u>\$ 16,551</u>	<u>\$ 4,404</u>

*(See accompanying notes to the financial statements)*

### Statement 3

#### Innovation Saskatchewan Statement of Cash Flows For the Year Ended March 31

	<i>(thousands of dollars)</i>	
	<u>2021</u>	<u>2020</u>
<b>Operating Activities</b>		
Cash Receipts from General Revenue Fund	37,727	24,398
Cash Receipts from Other Operating Activity	1	6
Cash Paid to Suppliers and Employees	<u>(27,832)</u>	<u>(25,567)</u>
Cash Provided by (Used in) Operating Activities	9,896	(1,163)
<b>Investing Activities</b>		
Cash Receipts from Interest	<u>52</u>	<u>251</u>
Cash Provided by Investing Activities	52	251
<b>Increase/(Decrease) in Due From General Revenue Fund</b>	9,948	(912)
<b>Due from General Revenue Fund, Beginning of Year</b>	8,785	9,697
<b>Due from General Revenue Fund, End of Year</b>	<u>\$ 18,733</u>	<u>\$ 8,785</u>

*(See accompanying notes to the financial statements)*

Innovation Saskatchewan  
Notes to the Financial Statements  
for the Year ended March 31, 2021

## 1. Status of Innovation Saskatchewan

Innovation Saskatchewan was established under the provisions of *The Innovation Saskatchewan Act* on November 2, 2009.

Innovation Saskatchewan is the central agency of the Government of Saskatchewan with responsibility for implementing Saskatchewan's innovation priorities. Innovation Saskatchewan coordinates the strategic direction of the government's research and development and science and technology expenditures; provides advice on science and technology policy; coordinates the establishment and maintenance of science, research and development infrastructure; and provides advice and recommendations on research, development, demonstration, and the commercialization of new technologies and innovative processes in Saskatchewan. Innovation Saskatchewan is a corporate body eligible to receive monies primarily appropriated by the legislature for these purposes.

## 2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards issued by the Public Sector Accounting Board. A statement of change in net financial assets and of re-measurement gains and losses has been omitted as there were no relevant transactions to report.

The following accounting policies are considered significant:

### a) Revenue

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

Interest revenue from the General Revenue Fund is recorded when receivable.

### b) Expenses

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

### c) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimated.

#### d) New Accounting Standards:

The following new accounting standard will be coming into effect as of the date indicated below:

- PS 3400 Revenue – April 1, 2023

### 3. Due from the General Revenue Fund

Innovation Saskatchewan's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. Interest is paid on a quarterly basis at the government's 30-day average interest rate. The average rate for 2020-21 was 0.19% (2019-20 – 1.72%). Interest earned during the year was \$18 thousand (K) (2019-20 – \$238K).

### 4. Budget Approval

The 2020-21 budget was approved by the Innovation Saskatchewan Board on July 9, 2020.

### 5. Related Parties

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

Related party transactions to March 31, 2021 include the following:

Expense	<i>(thousands of dollars)</i>	
	2020-21	2019-20
Saskatchewan Health Research Foundation	\$ 4,849	\$ 4,849
Ministry of Advanced Education	258	261
Saskatchewan Opportunities Corporation – Innovation Place	169	173
Saskatchewan Polytechnic	38	100
SaskTel	20	21
Ministry of Immigration and Career Training	8	-
Public Service Commission	2	2
Ministry of SaskBuilds and Procurement	1	1
Saskatchewan Research Council	-	200
<b>Accounts Receivable</b>	<b>\$ 2</b>	<b>\$ 36</b>
<b>Accounts Payable</b>	<b>\$ 87</b>	<b>\$ 34</b>

Innovation Saskatchewan has related party programming in future years as follows:

<i>(thousands of dollars)</i>		
Contractual Obligations	Leases	Programming
2021-22	93	38
2022-23	--	38
2023-24	--	37
Total	<u>\$ 93</u>	<u>\$ 113</u>

Innovation Saskatchewan has an agreement with the Ministry of Advanced Education for \$100K to provide financial services. The agreement has no set end or expiry date and is expected to continue until the contract is amended or terminated by either party. This amount is not included in the contractual obligations summary above as there is no reasonable estimate available to determine the length of this obligation.

Other transactions with related parties and amounts due to/from them are described separately in Note 3 Due from General Revenue Fund.

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

## 6. Financial Instruments

Innovation Saskatchewan's financial instruments include: Due from the General Revenue Fund, Accounts Receivable, Accounts Payable and Accrued Liabilities. The carrying amount of these instruments approximates fair value due to their short-term nature. These instruments have no material interest, credit, liquidity, or market risks.

## 7. Expense by Object

<i>(thousands of dollars)</i>		
<b>Expenses</b>	March 31, 2021	March 31, 2020
Goods and Services	\$ 685	\$ 629
Grants and Transfers	23,596	26,143
Pension and Benefits	120	111
Salaries	1,189	1,028
Travel	9	49
Total	<u>\$ 25,599</u>	<u>\$ 27,960</u>

## 8. Contractual Obligations

Innovation Saskatchewan has non-related party programming and operational obligations in future years as follows:

<i>(thousands of dollars)</i>	
<b>Programming</b>	
2021-22	5,006
2022-23	4,226
2023-24	3,287
2024-25	496
Total	<u>\$ 13,015</u>

## 9. Pension Cost

The employees of Innovation Saskatchewan participate in the Public Employees' Pension Plan defined contribution plan. Pension costs of \$96K (2019-20 - \$80K) are included in pension and benefits expense and comprise the cost of employer contributions for current service of employees during the year. Employer contribution levels are applied at 7.5% of salary. Innovation Saskatchewan's liability is limited to the required contributions.

## 10. COVID-19

COVID-19 has caused material disruption to businesses and has resulted in an economic slowdown. COVID-19 has had minimal impact on Innovation Saskatchewan; however, Innovation Saskatchewan continues to assess and monitor the impact of COVID-19 on its financial condition. The duration of COVID-19 is still uncertain and, accordingly, it is difficult to reliably measure any potential impact on the Innovation Saskatchewan's financial position and operations.

# For More Information

Innovation Saskatchewan  
343-111 Research Drive  
Saskatoon, SK S7N 3R2

Tel: (306) 933-7205  
Fax: (306) 933-5320

[www.innovationsask.ca](http://www.innovationsask.ca)