



Consolidated Financial Statements of

INBC INVESTMENT CORP.

Year Ended March 31, 2026



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MANAGEMENT'S REPORT

Management's Responsibility for the Consolidated Financial Statements

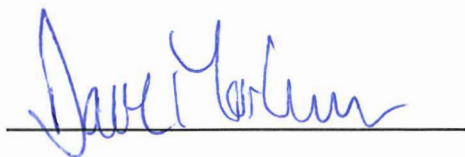
The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial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

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

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

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

On behalf of InBC Investment Corp.,



David Mortimer, CPA, CA | CFO
Vancouver, BC



Daniel Muzyka | CEO



Independent Auditor's Report

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

Opinion

I have audited the accompanying consolidated financial statements of InBC Investment Corp. ("the Corporation"), which comprise the consolidated statement of financial position as at March 31, 2026, and the consolidated statements of operations and change in accumulated surplus, change in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2026, and the results of its operations and change in accumulated surplus, change in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

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

Other accompanying information

Management is responsible for the other information accompanying the consolidated financial statements. The other information comprises the information included in the InBC Investment Corp. 2025/26 Annual Service Plan Report, but does not include the consolidated financial statements and my auditor's report thereon.

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

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

financial statements or my knowledge obtained during the audit or otherwise appears to be materially misstated.

Prior to the date of my auditor's report I obtained a copy of the InBC Investment Corp. 2025/26 Annual Service Plan Report. If, based on the work I have performed on this other information, I conclude that there is a material misstatement therein, I am required to report that fact in this auditor's report. I have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

My objectives are to obtain reasonable assurance about whether the Corporation's consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit and I remain solely responsible for my audit opinion.

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

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



Bridget Parrish, CPA, CA
Auditor General of British Columbia

Victoria, British Columbia, Canada
June 22, 2026

INBC INVESTMENT CORP.

Consolidated Statement of Financial Position

(in \$000)

As at March 31

Financial Assets

Cash	5,254	4,372
Accounts Receivable	131	85
Receivable from Province of British Columbia	2,299	2,555
Portfolio Investments - Legacy (Note 3)	65,173	69,915
Portfolio Investments - InBC Investment Corp. (Note 3)	125,077	113,074
	<u>197,934</u>	<u>190,001</u>

Liabilities

Accounts Payable and Accrued Liabilities (Note 4)	423	133
Due to Related Parties (Note 10)	756	908
Fiscal Agency Loan - Legacy (Note 5)	-	2,683
Fiscal Agency Loan - InBC Investment Corp. (Note 5)	120,576	113,876
Obligations under Capital Lease (Note 6)	11	-
	<u>121,766</u>	<u>117,600</u>

Net Financial Assets

76,168 72,401

Non-Financial Assets

Tangible capital assets (Note 7)	42	67
Prepaid expenses	251	225
	<u>293</u>	<u>292</u>

Accumulated Surplus

76,461 72,693

Accumulated Surplus is comprised of:

Accumulated Operating Surplus	76,461	72,693
Accumulated Remeasurement Gains	-	-
	<u>76,461</u>	<u>72,693</u>

Commitments (Note 9)

Approved by the Board



Suzanne Trottier | Chair – Board of Directors



Natascha Kiernan | Board of Directors

INBC INVESTMENT CORP.

Consolidated Statement of Operations and Change in Accumulated Surplus

(in \$000)

For the Year Ended March 31	Budgeted Figures (Note 13)	2026	2025
Revenues:			
Venture capital investment income	-	1,398	2,036
Provincial operating contributions	12,046	8,273	8,396
Interest income	150	2,369	334
Recoveries from other parties	5	37	12
	12,201	12,077	10,778
Expenses (Note 11)	12,051	8,309	8,710
Annual Operating Surplus	150	3,768	2,068
Accumulated Annual Operating Surplus, Beginning of Year	72,632	72,693	70,625
Accumulated Annual Operating Surplus, End of Year	72,782	76,461	72,693

INBC INVESTMENT CORP.

Consolidated Statement of Change in Net Financial Assets

(in \$000)

For the Year Ended March 31	2026	2025
Annual Operating Surplus	3,768	2,068
Acquisition of tangible capital assets	(20)	(9)
Amortization of tangible capital assets	45	39
	25	30
Acquisition of prepaid expenses	(270)	(285)
Use of prepaid expenses	244	277
	(26)	(8)
Effect of Remeasurement (Losses)	-	-
Increase in Net Financial Assets	3,767	2,090
Net Financial Assets, Beginning of the Year	72,401	70,311
Net Financial Assets, End of the Year	76,168	72,401

INBC INVESTMENT CORP.

Consolidated Statement of Cash Flows

(in \$000)

For the Year Ended March 31	2026	2025
Operating Transactions:		
Annual Surplus	3,768	2,068
Items not involving Cash:		
Gains on venture capital distributions	(1,398)	(2,036)
Amortization of tangible capital assets	45	39
Impairment loss on legacy venture investment	-	303
Interest from convertible debt	(2,118)	-
Changes in non-cash Operating Working Capital:		
Accounts Receivable	(46)	257
Recoverable amount from Province of BC	256	(599)
Prepaid expenses	(26)	(8)
Accounts Payable and Accrued Liabilities	290	29
Accrued interest on Fiscal Agency Loan	(11)	(160)
Due to Related Parties	(152)	330
Cash provided by Operating Activities	608	223
Capital Transactions:		
Acquisition of tangible capital assets	(6)	(9)
Cash (used for) Capital Activities	(6)	(9)
Financing Transactions:		
Cash received from Fiscal Agency Loan – InBC Investment Corp.	1,369,496	1,045,967
Cash repayment of Fiscal Agency Loan – InBC Investment Corp.	(1,362,786)	(983,220)
Cash received from Fiscal Agency Loans - Legacy	2,200	23,206
Cash repayment of Fiscal Agency Loans - Legacy	(4,882)	(29,513)
Lease payments made on leased capital asset	(3)	-
Cash provided by Financing Activities	4,025	56,440
Investing Transactions:		
Acquisition of Portfolio Investments - Legacy	(3,732)	(1,648)
Distributions from Portfolio Investments - Legacy	9,872	8,082
Acquisition of Portfolio Investments – InBC Investment Corp.	(24,565)	(64,615)
Distributions from Portfolio Investments – InBC Investment Corp.	14,680	195
Cash (used in) Investing Activities	(3,745)	(57,986)
Increase (Decrease) in Cash	882	(1,332)

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

Consolidated Statement of Cash Flows (continued)

(in \$000)

For the Year Ended March 31	2026	2025
<i>Carried forward from previous page:</i>		
Increase (Decrease) in Cash	882	(1,332)
Cash, Beginning of the Year	4,372	5,704
Cash, End of the Year	5,254	4,372

Notes to Consolidated Financial Statements

1. NATURE OF BUSINESS

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Basis of Consolidation

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

Revenue Recognition

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

Venture capital investment income represents the Corporation's portion of distribution of proceeds resulting from the divestiture of investments held by the funds. Income is recognized once all paid in capital to the fund has been returned.

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

Interest income from cash balances is recognized on an accrual basis. Interest income from venture capital investments, in the form of investments in convertible notes, is recognized on a cash basis.

INBC INVESTMENT CORP.
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(tabular figures in \$000)



2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenses

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

Foreign Currency Translation

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

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

Measurement Uncertainty

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

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

Financial Instruments

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

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

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

i. Cash

Cash includes deposit accounts held in Canadian financial institutions, and on deposit with the Province of British Columbia. Cash balances are reported at cost.

ii. Accounts receivable

Accounts receivable are recorded at cost.

iii. Portfolio Investments

The Corporation invests in venture investments as a Limited Partner, or through acquisition of equity securities, or convertible debt with equity conversion features. These investments are reported at cost as there is no quoted market price in an active market. The cost is reported net of any recovered due diligence costs.

Investment Commitments (*Note 9*) to venture capital funds are not recorded as liabilities on the statement of financial position until a capital call is issued by the venture capital fund. The liability (*Note 4*) exists until the capital call is funded, generally within five business days.

iv. Debt and other financial liabilities

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

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible Capital Assets

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

Asset Class:	Useful Life:
Computer Hardware, software and website	3 years
Leased Capital Assets	Term of the lease
Leasehold Improvements	Remainder of lease term
Office Furniture	5 years

Assets under construction are not amortized until the asset is available for productive use.

Leases that transfer substantially all of the benefits and risks incidental to ownership of the property are accounted for as leased tangible capital assets. Leased capital assets are amortized over the term of the lease.

Employee Future Benefits

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

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

Segmented Disclosure

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

INBC INVESTMENT CORP.
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3. PORTFOLIO INVESTMENTS

Portfolio Investments - Legacy

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

The balance of cumulative contributions net of returns of capital to date for BCRCF are:

	2026	2025
Canadian Dollar Venture Funds	65,283	69,190
US Dollar Venture Funds	21,486	22,321
Combined Canadian and US Dollar Funds	86,769	91,511
Less cumulative impairments	(21,596)	(21,596)
Venture Capital Investments -Legacy	65,173	69,915

During the year, impairments totaling \$0 thousand (2025: \$303K) in legacy venture capital investments were identified by management and reported on the consolidated statement of operations.

Portfolio Investments – InBC Investment Corp.

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

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

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

	2026	2025
Canadian Dollar Venture Funds	23,841	13,895
US Dollar Venture Funds	12,659	9,168
Combined Canadian and US Dollar Funds	36,500	23,063
Direct Investments (denominated in Canadian dollars)	28,449	20,687
Direct Investments (denominated in US Dollars)	35,897	31,467
Convertible Notes (denominated in Canadian dollars)	20,070	21,079
Convertible Notes (denominated in US Dollars)	4,161	16,778
Venture Capital Investments - InBC	125,077	113,074

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4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Corporation recognizes amounts due to venture capital investment partners as liabilities once a capital call is made. The capital call is included in the accounts payable and accrued liabilities when a capital call is made prior to fiscal year-end and the amount due has not yet been paid. There was an outstanding capital call of \$145.7 thousand at March 31, 2026 included in the accounts payable and accrued liability balance (2025: \$0).

5. FISCAL AGENCY LOAN

Fiscal Agency Loan - Legacy

InBC Investment Corp. assumed responsibility for all obligations of the BCIF when the Corporation was established under the *InBC Investment Corp. Act* on May 20, 2021. On March 31, 2017, the BCIF entered into a short-term borrowing facility with the Minister of Finance. The maximum principal amount of the facility is \$80 million. The contract was fully executed June 7, 2017. The purpose of the short-term borrowing facility is to fund venture capital commitments from BCRCF and operating expenses of InBC. The Corporation first accessed the short-term financing on October 15, 2018. The full balance of this fiscal agency loan was repaid in October 2025.

Fiscal Agency Loan – InBC Investment Corp.

On November 28, 2022, the Corporation entered into a borrowing facility with the Minister of Finance. The maximum principal amount of the facility is \$500 million. The purpose of the borrowing facility is to fund strategic investments as set out by the *InBC Investment Corp. Act*. The Corporation first accessed the financing on December 1, 2022. At March 31, 2026, the interest rate on the statutory fiscal agency loan is 2.24%.

6. OBLIGATIONS UNDER CAPITAL LEASE

The corporation entered into an equipment lease of a photocopier for a 60 month term beginning April 1, 2025. The interest rate implicit in this lease is 3.40%. Interest and principal payments relating to the capital lease are shown below. The interest component of the lease payments are included in the interest expense disclosed in Segmented Information (Note 11).

	Principal	Interest	Total Payment
2027	2.7	0.3	3.0
2028	2.8	0.2	3.0
2029	2.9	0.2	3.1
2030	3.0	0.1	3.1
Total	11.4	0.8	12.2

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7. TANGIBLE CAPITAL ASSETS

Cost	Websites, Computer Hardware & Software	Leased Capital Asset	Furniture & Equipment	Leasehold Improvements	2026 Total	2025 Total
Beginning balance	80	-	13	38	131	122
Additions	-	14	-	6	20	9
Disposals	(55)	-	-	-	(55)	-
Year-end balance	25	14	13	44	96	131
Accumulated Amortization						
Beginning balance	43	-	3	18	64	25
Additions	26	3	3	13	45	39
Disposals	(55)	-	-	-	(55)	-
Year-end Balance	14	3	6	31	54	64
Net Book Value	11	11	7	13	42	67

8. RISK MANAGEMENT

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

Credit Risk

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

The Corporation is also exposed to credit risk through investments in convertible debt instruments. The corporation may be exposed to credit risk if the returns from convertible debt instruments are below cost. The Corporation's investment portfolio diversification is based on an investment strategy developed to generate returns to cover potential losses from its higher risk investments.

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

Currency Risk

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

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8. RISK MANAGEMENT (Continued)

Through the Corporation's venture capital investments, the Corporation has a total of \$5.9 million USD (2025: \$8.5 million USD) remaining in venture capital commitments and holds \$42.2 million USD in venture capital investments (2025: \$49.3 million USD). Returns generated from investments in these venture capital funds will be in US dollars. The timing and value of returns from these investments cannot be reasonably estimated and so the impact of currency rate fluctuations can also not be estimated.

At March 31, 2026, currency risk is negligible as the Corporation has sufficient cash and financing available to satisfy commitments made.

Interest Rate Risk

Interest rate risk arises from the possibility that changes in market interest rates will affect future cash flows. The Corporation is exposed to interest rate risk through its cash and fiscal agency loans.

If the Corporation were to have experienced a 1% change in the interest rate earned this would have impacted interest income by approximately \$0.09 million (2025 - \$0.10 million) calculated as 1% of average cash balances over the year.

Other Price Risk

Other price risk is the risk that the market value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Corporation is exposed to other price risk through its Portfolio Investments. InBC's Portfolio Investments in early-stage companies and venture capital funds carry a high risk; however, the Corporation mitigates the risk by diversifying its portfolio across industries, limiting concentration of investments, and utilizing the expertise and skills of institutional venture capital managers with a track record of commercial returns.

Liquidity Risk

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

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

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9. COMMITMENTS

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

	InBC	Legacy	2026	2025
<i>Remaining USD investment commitments (USD)</i>	5,575	375	5,950	8,474
<i>Remaining USD investment commitments translated to CAD</i>	7,772	523	8,295	12,182
<i>Remaining CAD investment commitments</i>	42,402	12,862	55,264	57,781
<i>Aggregate remaining investment commitments</i>	50,174	13,385	63,559	69,963

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

	2027	2028	2029	2030	2031
Capital lease	3	3	3	3	-
Property lease	249	229	229	233	236
Other operational commitments	207	140	100	-	-
Total	459	372	332	236	236

10. RELATED PARTY TRANSACTIONS

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

	2026	2025
Cash (Central Deposit Program)	2,321	2,754
Accounts receivable	26	9
Recoveries from the Province of British Columbia	2,299	2,555
Fiscal Agency Loans (<i>Note 5</i>)	120,576	116,559
Due to Related Parties	756	908

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10. RELATED PARTY TRANSACTIONS (Continued)

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

	2026	2025
Interest Income	252	334
Operating contributions from the Province	8,273	8,396
Interest expense	2,932	3,166
Board of Director fees	112	87
Facilities	326	318
Office and miscellaneous expenses	31	131
Professional fees	117	34
Salaries, wages and benefits	3,103	3,279

11. SEGMENTED INFORMATION

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

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

The purposes of the corporation are as follows:

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

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

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

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11. SEGMENTED INFORMATION (Continued)

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

	InBC Operations	Legacy Operations	2026 Total	2025 Total
Revenues:				
Venture Capital investment income	-	1,398	1,398	2,036
Provincial operating contributions	8,273	-	8,273	8,396
Interest income from bank	251	-	251	334
Interest income from convertible debt	2,118	-	2,118	-
Recoveries from other parties	37	-	37	12
	10,679	1,398	12,077	10,778
Amortization of tangible capital assets	45	-	45	39
Board of Director fees	112	-	112	87
Facilities	331	-	331	318
Interest expense	2,901	31	2,932	3,166
Office and miscellaneous expenses	538	-	538	678
Professional fees	744	-	744	340
Salaries, wages and benefits	3,607	-	3,607	3,779
Venture capital investment loss	-	-	-	303
Expenses	8,278	31	8,309	8,710
Annual Surplus	2,401	1,367	3,768	2,068

12. EMPLOYEE FUTURE BENEFITS

The Corporation and its employees contribute to the Public Service Pension Plan, which is a multiemployer jointly trusteesd plan. The plan is a defined benefit plan, providing pension on retirement based on the member's age of retirement, length of service and highest earnings averaged over five years. The board of trustees of the plan represents plan members and employers and is responsible for the management of the plan including investment of the assets and administration of the plan. The most recent actuarial valuation for the Public Service Pension Plan as at March 31, 2023 indicated a \$4,491 million funding surplus for basic pension benefits on a going concern basis. As described in Note 2, the plan is accounted for as a defined contribution plan. For the year ended March 31, 2026, the Corporation paid \$250,589 (2025 - \$260,013) for employer contributions to the plan.

13. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the 2025/26 Service Plan approved by the Board Chair in February 2025.

14. COMPARATIVE INFORMATION

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