InBC Investment Corp

2025/26
Annual Service Plan Report

August 2026

For more information on InBC Investment Corp., please contact us at:

Suite 909 – 925 West Georgia Street, Vancouver, BC, V6C 3L2

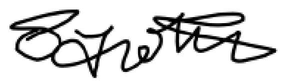
Or visit our website at: www.inbcinvestment.ca

Published by InBC Investment Corp.

Board Chair's Accountability Statement

The InBC Investment Corp. 2025/26 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2025/26 – 2027/28 Service Plan published in 2025. The Board is accountable for those results as reported.

Signed on behalf of the Board by:



Suzanne Trottier
Board Chair, InBC Investment Corp.
July 28, 2026

Table of Contents

Board Chair's Accountability Statement 3
Letter from the Board Chair 5
Purpose of the Annual Service Plan Report 6
Strategic Direction 6
Purpose of the Organization 6
Report on Performance: Goals, Objectives, and Results 8
Financial Report 14
Appendix A: Progress on Mandate Letter Priorities 18
Appendix B: Subsidiaries and Operating Segments 20
Appendix C: Auditor's Report and Audited Financial Statements 21

Letter from the Board Chair

On behalf of the InBC Investment Corp. (InBC), we are pleased to provide the 2025/26 Annual Service Plan Report.

In a challenging and evolving economic environment marked by ongoing market volatility and tighter capital conditions, InBC continued to focus on disciplined investment activity that supports innovation, resilience, and long-term economic growth in British Columbia. Our work remains centred on strengthening B.C.'s venture capital ecosystem and supporting companies with the potential to scale, create jobs, and deliver meaningful economic impact across the province.

During the 2025/26 fiscal year, InBC's investments focused on building a strong and diversified portfolio of B.C. companies spanning key growth sectors, economic regions, and stages of growth.

As of March 31, 2026, InBC has committed a total of $187 million into 16 B.C. companies and 10 venture funds, which have invested in an additional 24 B.C. companies across multiple sectors and economic regions. In total, 40 B.C. companies are supported through InBC's direct and indirect investments, and these companies employ over 1900 British Columbians.

InBC's investment portfolio is helping to build a stronger, more diversified, and more resilient economic future for British Columbians. InBC is pleased to continue its work in supporting B.C. businesses as they innovate, grow, and maintain their presence in the province.

Suzanne Trottier
Board Chair
July 28, 2026

Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the Budget Transparency and Accountability Act (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

Strategic Direction

The strategic direction set by Government in 2024 and the Board Chair's Mandate Letter 2023 Mandate Letter from the Minister Responsible shaped the goals, objectives, performance measures and financial plan outlined in the InBC Investment Corp. 2025/26 – 2027/28 Service Plan and the actual results reported on in this annual report.

Purpose of the Organization

InBC is a strategic investment fund with a mandate to invest in the growth of B.C. businesses and generate competitive financial returns alongside positive economic, social and environmental impacts for B.C. It has a goal to attract, grow and anchor more companies in B.C., generating short- and long-term economic and jobs growth across the province. InBC considers investment across all innovation sectors, while prioritizing key growth industries in B.C. By working with other investors, it can support the growth of more B.C. businesses and encourage more investment activity in the province.

The InBC Investment Corp. Act (InBC Act) establishes the purpose and governance structure of the corporation and specifies the independence of investment decision-making by establishing the Chief Investment Officer (CIO) with the sole statutory authority to make investment decisions. The InBC Act created InBC for the purpose of making investments that achieve both a financial return, and support the social, economic and environmental policy objectives of the government[1]. The Government of B.C. appoints a board of directors to govern InBC, ensuring prudent stewardship and alignment with policy direction from the government.

The Government of B.C. and the board have approved an Investment Policy Statement (IPS) for InBC[2]. The IPS sets the guiding framework for the investment program of InBC and is reviewed regularly.

[1] InBC Investment Corp. Act. Section 4(1).

[2] InBC's IPS is a key accountability document for InBC which establishes the parameters for investing and includes investment themes, risk tolerances, constraints and reporting requirements. The complete IPS can be found in the corporate reports section of the InBC website.

InBC is investing through:

- Direct investments in early-[3] and later-stage[4] private companies
- Investment funds[5] that invest across various stages of growth, including seed stage companies[6], early-stage companies and later-stage companies

As a Crown corporation of the Province of B.C., central to InBC's investment objectives are the potential benefits and strong connection to British Columbia. The criteria used to determine this include business activity in the province such as the provision of jobs, revenues, payroll, assets, and research and development. Other indicators include head office location and where executives are based.

Profits from InBC will be reinvested. The goal is to become evergreen, where InBC generates enough investment income to eventually become self-sustaining.

Information regarding InBC's subsidiary corporation, the BC Renaissance Capital Fund, can be found in Appendix A: Subsidiaries and Operating Segments.

[3] Early-stage business/company is a business or company with a product or service in testing, pilot production or that has recently become commercially available.
[4] Later-stage business/company is a business or company with a product or service that is commercially available.
[5] Pooled investment funds that manage the money of investors who provide private capital to start-ups and other businesses considered to have growth potential.
[6] Seed stage business/company is a business or a company with a concept or product in development.

Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2025/26 – 2027/28 service plan. For forward-looking planning information, including current and future performance targets, please see the latest service plan.

Goal 1: Invest capital to generate both long-term financial returns and non-financial impacts

Objective1.1: Invest in opportunities aligned with InBC's IPS

InBC's mandate is to provide a local source of capital to companies and funds that contribute to the B.C. economy, in alignment with the parameters set out in its approved IPS. The IPS serves as a foundational accountability mechanism, through which the Board exercises oversight of InBC's investment activities and provides direction to the Chief Investment Officer on asset allocation, investment parameters, and risk tolerance.

Key results

- Throughout 2025/26 InBC effectively deployed capital within the parameters of the IPS.
- InBC maintained a rigorous and inclusive investment assessment process, resulting in all investment decisions being supported by thorough due diligence, documented analysis, and alignment with approved investment objectives and policies.
- InBC placed 2 direct investments in new B.C.-based companies in 2025/26 and completed 3 follow-on investments in existing portfolio companies.
- In fiscal year 2025/26, InBC invested in 2 venture capital funds.
- $22 million was invested in these 7 investments in a variety of sectors in alignment with financial return and impact objectives, sectors and regions as stated in the IPS.

Summary of progress made in 2025/26

The companies InBC invests in are innovative and sector-transforming, often redefining entire industries. Through these investments, InBC is strengthening domestic industrial capacity in key areas such as life sciences and innovation. During the year, InBC also advanced efforts to enhance commercialization capacity across the province. Through co-investment partnerships with key sources of innovation, including post-secondary research institutions, InBC supports the transition of research breakthroughs into commercial ventures. This approach accelerates the development of new enterprises, helps anchor them in British Columbia, and contributes to the retention of highly skilled talent within the province.

As of March 31, 2026, InBC has committed a total of $187 million into 16 B.C. companies and 10 venture funds, which have invested in an additional 24 B.C. companies across multiple sectors and economic regions. In total, 40 B.C. companies are supported through InBC's direct and indirect investments.

Performance measures and related discussion

Performance Measure	2024/25 Actual	2025/26 Target	2025/26 Actual
1a Cumulative number of B.C. companies supported through direct investments [1,2]	14	16-20	16
1b Cumulative number of B.C. companies supported indirectly through fund investments[3, 4]	20	25-28	24

Data source: InBC Investment Corp.

[1]PM 1a targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as 20-26 and >24 respectively.

[2] As of the fiscal year-ended March 31, 2026, InBC has made investments in 16 companies.

[3]PM 1b targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as 27-30 and >30 respectively.

[4]As of the fiscal year-ended March 31, 2026, InBC has made investments in 10 venture funds, each having made investments in B.C. companies.

Performance results for 2025/26 demonstrate continued growth in the overall reach of InBC's investment portfolio. The cumulative number of B.C. companies supported through direct investments reached 16, meeting the lower end of the annual target range. Indirect support through venture fund investments reached 24 companies, slightly below the target range. This modest variance reflects the inherent timing and pacing of capital deployment by third-party funds, which can be influenced by broader market conditions and investment cycles.

The growing portfolio demonstrates InBC's expanding role as a catalyst for investment activity in the province, contributing to increased access to capital, the scaling of innovative businesses, and the retention of highly skilled talent.

Overall, the results for 2025/26 indicate that InBC is effectively deploying capital in alignment with its mandate and IPS, while continuing to build a diversified portfolio that delivers both financial returns and measurable economic impact.

Goal 2: Develop connections and partnerships to strengthen and enhance InBC's impact

Objective 2.1: Establish partnerships to drive investment opportunities and to maximize investment efforts.

To support the investment strategy's deployment, InBC is developing a network of partnerships with stakeholders across geographic regions and sectors. Key to InBC's investment approach is to form partnerships that enable InBC to extend its reach and impact. Establishing partnerships with other investors and organizations across regions and sectors identifies and creates a strong set of diverse and quality investment opportunities and supports the effective deployment of capital.

Key results

- Collaborated with local, national and international capital providers to grow capital resources available to B.C. businesses.
- Co-invested alongside other investors as additive capital for B.C. businesses.
- InBC and the University of British Columbia (UBC) each committed $10M to launch the UBC Catalyst Ventures Fund, additional private sector investment will be sought, targeting up to $40M to support startups and spinouts from UBC research and community in the deep technology and life sciences sectors.
- InBC and Simon Fraser University (SFU) worked to establish terms of a co-investment Memoranda of Understanding (MOU) to launch the SFU Innovates Venture Fund. The fund will focus on early-stage companies, prioritizing key growth sectors in the province including life sciences, deep technology and cleantech InBC and SFU have each committed $7.5M to this fund, with plans to seek additional funding through the private sector of up to $20M in total.[7]

Summary of progress made in 2025/26

Collaboration with local, national, and international capital providers has helped to broaden the organization's access to diverse and high-quality investment opportunities. These partnerships have strengthened InBC's ability to identify promising opportunities, co-invest alongside experienced investors, and deploy capital efficiently in alignment with its mandate.

Notably, the establishment of investment partnerships with two premier research universities in British Columbia, UBC and SFU, represents a targeted effort to deepen collaboration with key innovation institutions. This partnership supports the advancement of research commercialization and contributes to the development of a stronger pipeline of investable companies emerging from the province's post-secondary ecosystem. Performance measures and related discussion

Performance Measure	2024/25 Actual	2025/26 Target	2025/26 Actual
2a Multiplier on fund investments investing in B.C. companies[1, 2]	3.96X	>1X	3.61X
2b Ratio of InBC investment dollars to the total amount raised by B.C. companies[3, 4]	1:6.34	>1:3.33	1:9.41

Data source: InBC Investment Corp.
[1]PM 2a targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as >1X and >1X respectively.
[2]This performance measure indicates the amount of investment investee venture funds invested in B.C. This measure is calculated using Funds' investments into B.C. companies divided by InBC's cash deployed to portfolio funds. For example, if InBC invested $1M in a venture capital fund and that fund placed $4M of investment in B.C., the multiplier would be 4X.
[3]PM 2b targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as >1:3.33 and >1:3.33, respectively.
[4]This performance measure indicates the ratio between InBC's investment and the total amount of investment raised by the companies InBC has directly invested in. The measure is calculated using: Total dollar value of round sizes InBC participated in for company investments divided by InBC's funded amount to companies.

[7] This initiative was announced May 12, 2026; however, the work to establish the MOU occurred in fiscal year 2025/26.

These performance measures track InBC's success in establishing diverse partnerships that drive capital investment to B.C. to support the long-term growth of B.C. companies. In 2025/26, InBC continued to advance its objective of developing strategic connections and partnerships to strengthen its overall impact. A key outcome of these efforts is evident in InBC's continued ability to leverage external capital through its partnerships. The multiplier on fund investments in B.C. companies (Performance Measure 2a) reached 3.61x, significantly exceeding the target of greater than 1x. While slightly lower than the 2024/25 result of 3.96x, this remains a strong outcome and demonstrates that InBC's investments in venture funds are effectively catalyzing additional capital flows into B.C. companies. This sustained level of leverage reflects the strength of InBC's relationships with fund managers and its strategic selection of partners with a demonstrated commitment to investing in the province.

Similarly, the ratio of InBC investment dollars to the total capital raised by B.C. companies (Performance Measure 2b) was 1:9.41, significantly exceeding the target of greater than 1:3.33. This result indicates that each dollar invested by InBC is leveraging a substantially larger pool of external capital. While the ratio is strong, it was notably influenced by a single large financing round completed by one company during the year. Excluding this outlier, the adjusted ratio would be 1:5.68, which still exceeds the target and reflects strong overall capital mobilization.

The results continue to demonstrate InBC's effectiveness in attracting co-investment capital and participating in larger, more competitive financing rounds.

Together, these performance measures highlight InBC's success in establishing and leveraging partnerships to amplify its investment impact. The strong multiplier and co-investment ratios indicate that InBC is not only deploying its own capital effectively but is also acting as a catalyst for broader investment activity in British Columbia. This is particularly important in supporting the scaling of high-growth companies, where access to larger pools of capital can accelerate development, commercialization, and market expansion.

Goal 3: To be an accountable, high-performing, leading investment fund

InBC strengthened governance and accountability through effective Board oversight and clearly defined governance practices. This enabled consistent monitoring of performance against corporate objectives, enhanced risk identification and management, and supported the timely execution of short-, medium- and long-term actions to deliver on its mandate. As well, InBC continued to invest in and support companies that incorporate ESG disclosures.

Objective 3.1: InBC is an effective, respected and valuable contributor to the investment landscape in British Columbia

Key results

- InBC maintained its commitment to investing in companies and funds that incorporate environmental, social, and governance (ESG [8])disclosures, reinforcing the importance of responsible investment practices in supporting a sustainable, inclusive, and resilient economy.
- Board and Committee oversight ensured alignment with mandate, IPS, and risk management expectations.
- Published annual legislative report[9] and provided regular public disclosure of activities and performance.
- Conducted a strategic review of the venture capital landscape in British Columbia by engaging stakeholders in roundtable discussions, one-on-one interviews, and anonymous interviews with InBC's portfolio in addition to market research.

Summary of progress made in 2025/26

InBC continued to advance its commitment to responsible investment in 2025/26 by investing in companies and funds that incorporate environmental, social, and governance (ESG) disclosures. Over the year, InBC strengthened the integration of ESG considerations across its portfolio, supporting increased adoption of ESG policies and reporting practices among portfolio companies and fund managers. This approach contributes to the growth of businesses and sectors that support a sustainable, clean, secure, and inclusive economy, while enhancing transparency, strengthening risk management, and enabling more informed investment decision-making.

InBC also maintained strong governance and accountability practices. The Board of Directors and its committees met regularly, providing oversight of investment activities, organizational performance, and risk management, and ensuring alignment with InBC's mandate and IPS.

In addition, InBC continued to demonstrate transparency and accountability as a Crown corporation through proactive communications and public reporting. The organization regularly published updates on its activities through its corporate website and fulfilled its legislative reporting requirements, providing clear and accessible information to stakeholders on its progress and performance.

---

[8] ESG is a framework for integrating and assessing environmentally and socially conscious factors in opportunities - environmental refers to stewardship of the natural environment; social refers to people and relationships; and governance refers to responsible management. InBC is following the lead of the provincial government and will align with their ESG standards as they evolve: https://www.esgbc.ca/esg-advantage/#inbc

[9] *InBC Investment Corp Act* s. 23 requires InBC to publish an annual report which much also be tabled in the legislature.

Performance measure(s) and related discussion

Performance Measure	2024/25 Actual	2025/26 Target	2025/26 Actual
3.1 Annual percentage of investments that track and report on ESG metrics or implement an ESG policy and/or impact management framework.[1,2,3]	57%	58%	65%

Data source: InBC Investment Corp.
[1]PM 3.1 targets for 2026/27 and 2027/28 were stated in the 2025/26 service plan as 59% and 60% respectively.
[2] Examples of ESG and impact management frameworks include: Institute of Limited Partners Association Reporting, UN Principles for Responsible Investing, UN Sustainable Development Goals and Targets, UN Declaration on the Rights of Indigenous Peoples, Global Impact Investing Network (GIIN), Reconciliation and Responsible Investment Initiative and International Finance Corporation's (IFC) Operating Principles for Impact Management.
[3] Over the performance period InBC will work with existing portfolio companies to adopt ESG policies and reporting practices; however, as some of InBC's new company investments will not have ESG metrics or policies, it is anticipated that this measure will initially have a lower growth trajectory and increase more significantly over time.

In 2025/26, InBC made continued progress toward its objective of being an accountable, high-performing, and leading investment fund in British Columbia. InBC uses standardized disclosure methodology based on the Institutional Limited Partners Association[10] standards to gather information on ESG metrics. InBC maintained its commitment to investing in companies and funds that incorporate ESG disclosures, reinforcing the importance of responsible investment practices in supporting a sustainable, inclusive, and resilient economy. By embedding ESG considerations into investment decisions, InBC enhances risk management, improves transparency, and supports long-term value creation across its portfolio.

Performance against the ESG-related measure (Performance Measure 3.1) shows meaningful progress. In 2025/26, 65% of investments tracked and reported on ESG metrics or implemented an ESG policy or impact management framework, exceeding the annual target of 58% and improving from 57% in the prior year. This increase reflects continued efforts to work with portfolio companies and fund managers to adopt recognized ESG and impact reporting frameworks, while also incorporating ESG expectations into new investments.

The results demonstrate a positive trajectory toward broader adoption of ESG practices across the portfolio. At the same time, InBC continues to take a pragmatic approach that recognizes the varying stages of maturity among early-stage companies, balancing the importance of ESG integration with the operational realities of emerging businesses.

Overall, results for 2025/26 indicate that InBC is strengthening its position as a responsible and credible investment partner. Continued focus on ESG integration, governance oversight, and transparent reporting will support InBC's ability to deliver on its mandate and contribute to a high-performing and trusted investment ecosystem in British Columbia.

---

[10]*With nearly 600 member institutions representing over two trillion USD of private equity assets under management, the Institutional Limited Partners Association (ILPA) is a global organization dedicated exclusively to advancing the interests of Limited Partners and their beneficiaries.*

Financial Report

For the auditor's report and audited financial statements, see Appendix C. These documents can also be found on the InBC Investment Corp. website.

Discussion of Results

InBC differentiates the results from operations for the purposes described in the InBC Act from the results from operations relating to legacy operations that were in place at the time the InBC Act came into effect. Further details of these results are provided in InBC's audited financial statements (Note 11 Segmented Information).

Results from InBC Operations include the revenues and expenses recognized for the purposes of the corporation, as described in section 4 of the InBC Act.

In the fiscal year ending March 31, 2026, InBC continued to focus on advancing its investment program through investing directly in B.C. companies as well as investing through venture funds. Activities this year included investing in two new companies and two venture capital funds, developing new corporate strategies, updating InBC's investment and operating policies, building investment deal flow, and recruiting and training new staff. In the year, InBC committed $11 million into venture capital funds which are investing in B.C. companies, and $11 million directly into B.C. companies. InBC also recognized $2 million in revenues on its maturing investments.

Results from operations also include the revenues and expenses associated with investments that were made under agreements that were in place before the InBC Act came into force on May 20, 2021. Revenues include distribution of proceeds resulting from the divestiture of investments held by the legacy investments. For the fiscal year ending March 31, 2026, these revenues totaled $1.4 million. Expenses from these legacy investments are $0.03 million which includes interest costs from arrangements undertaken to finance the investments.

InBC's consolidated operating and interest expenses of $8.3 million are recovered from the Province of B.C. through a transfer arrangement. InBC's fiscal 2025/26 operating surplus of $3.8 million is attributable to venture capital investment and interest revenue earned in the year.

Financial Summary

($000s)	2024/25 Actual	2025/26 Budget	2025/26 Actual	2025/26 Variance
Revenues				
Operating Contribution from the Province of B.C.	8,396	12,046	8,273	(3,773)
Interest	334	150	2,369	2,219
Venture capital investment income[1]	2,036	-	1,398	1,398
Recoveries from other parties	12	5	37	32
Total Revenue	**10,778**	**12,201**	**12,077**	**(124)**
Expenses				
Salaries and Benefits	3,779	4,226	3,607	(619)
Operations and Administration	1,765	1,787	1,770	(17)
Debt Service	3,166	6,038	2,932	(3,106)
Total Expenses	**8,710**	**12,051**	**8,309**	**(3,742)**
Surplus (Deficit)	**2,068**	**150**	**3,768**	**3,618**
Total Debt	**116,559**	**213,543**	**120,576**	**(92,967)**
Capital Expenditures	**9**	**0**	**20**	**20**
Accumulated Surplus (Deficit)	**72,693**	**72,782**	**76,461**	**3,679**

Note: The above financial information was prepared based on current Public Sector Accounting Standards in Canada.
[1] InBC does not include revenue from venture capital investments when forecasting due to the variable and unpredictable nature of the investments and associated distributions. Venture capital revenue is reported as it is realized.

Variance and Trend Analysis

InBC's consolidated annual surplus was higher than the budgeted amount in fiscal 2025/26 due to unbudgeted venture capital investment income realized from legacy venture capital portfolio distributions.

Revenues

The Province of B.C. funds InBC through operating contributions which cover the cost of InBC's operating expenses and debt service costs. The actual amount of provincial operating contributions will vary from budget when actual costs vary from budget. Contributions were lower for the fiscal year due to lower recoverable expenditures on salaries and debt service.

Venture capital investment income is not estimated in establishing InBC's fiscal targets because the timing and amount of distributions from venture capital investments cannot be forecast with certainty. Venture capital investment income is recognized when distributions from investments exceed the investments' cost base. As venture capital portfolio investments mature, further distributions are anticipated; however, due to the unpredictable nature of distributions, a trend may not be observable when comparing this year's results to prior fiscal year figures.

Interest income includes interest earned on convertible notes from InBC's investment portfolio. These amounts are not budgeted, as the timing and terms of distribution can be highly variable. Interest income is also earned through short term holdings with the Province of B.C.'s Central Deposit Program (CDP). Interest income is higher than budgeted primarily due to higher interest rates earned on balances on CDP deposits in the year.

Expenses

Fiscal year 2025/26 Salaries and Benefits expenses were lower than budget due to vacancies during the fiscal year.

Debt service costs are the costs of borrowing from financing InBC's investments. Debt service costs are lower than budget due to the lower deployed capital investment, and lower interest rates.

Total Debt

Total Debt consists of Fiscal Agency Loans (FAL) payable to the B.C. Ministry of Finance. The FAL balance for legacy investment was fully paid off in 2025/26. A new FAL was established in 2022/23 to finance investments made under the InBC Act. This balance is expected to increase over time as InBC makes new investments. Total debt balance was lower than budget due to the lower than budgeted investment of capital.

Capital Expenditures

Capital expenditures for fiscal year 2025/26 were higher due to purchase of IT equipment and leasehold improvements.

Risks and Uncertainties

Risks and uncertainties include:

- Investment: Venture capital investment valuations and the timing and amount of venture capital investment capital calls and distributions are not estimable with certainty. This impacts InBC's ability to forecast and budget for the timing and magnitude of venture capital investment income and anticipate investment cash flows from venture capital investments. This uncertainty is caused in part by the nature of venture capital investments which are not traded on active exchanges, and therefore are not liquid, and do not have quoted market prices. Venture capital investment fund managers give little advance notice of upcoming capital calls and distributions for their funds. In addition, due to the broad range in nature and maturity of companies InBC invests in, the size and duration of investments are difficult to forecast. This creates uncertainty with respect to aspects of InBC's cash management, and debt planning. In response to this risk, InBC invests with a long-time horizon in mind and has established borrowing facilities with the Ministry of Finance to maintain sufficient cash balances in liquid, interest bearing accounts to meet capital calls and fund operating activities until venture capital investment returns are realized.

- Operational funding: InBC relies on venture capital investment income and debt financing as sources of funding for its operations. As noted above, the amount and timing of venture capital investment income is subject to a high degree of uncertainty. As an investor with a long-time horizon, there is risk that InBC will not have a significant source of revenue from its venture investments in the near or medium term. Reliance of debt financing to fund InBC operations is a source of risk to the organization given timing of interest expenses does not align with timing of investment revenues. The Province currently provides funding for InBC's operations and interest costs.

- Interest rates: InBC finances operating expenses and venture capital investment with a FAL arranged through the Ministry of Finance. The FAL is short term borrowing. The Bank of Canada has decreased its overnight target rates from 2.75 percent in March 2025 to 2.25 in March 2026, decreasing the overall cost of borrowing. There remains uncertainty over the timing and magnitude of interest rate changes, and this is a source of risk to InBC. The Province currently provides funding for InBC's debt financing costs, thereby mitigating the risk of interest rate volatility on the organization.

- Market Conditions: The volatile conditions in the external market due to geopolitical instabilities may lead to headwinds for investment company growth and valuations. The uncertainty in the market means that deployment of capital and realisation of maturing investments may take longer than anticipated. InBC can manage this risk through its ability to invest over the long term, through different business cycles. InBC will continue to monitor this risk and its impact on its portfolio.

Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2025 Mandate Letter from the Minister Responsible.

2025 Mandate Letter Priority	**Status as of March 31, 2026**
By continuing to invest, InBC will support growing the economy by creating good jobs, retaining intellectual property in Canada, and attracting increased capital for BC companies.	• Ongoing: In total, 40 B.C. companies are supported through InBC's direct and indirect investments.
Ensure InBC's activities/operations are efficient and aligned with government objectives.	• Ongoing: InBC continues to seek efficiencies at every opportunity. Through tight cost controls and adherence to government directives on expenditure management InBC ensures efficiency in operations.
Support diversifying BC's sources of investment capital as an investor by partnering through InBC's investments and market activities.	• Ongoing: For every $1-dollar InBC invests in venture funds BC companies have received $3.61 in investment. InBC has also launched co-investment partnerships with UBC and SFU to support university commercialization.
Continue to invest in small- and medium-sized businesses in key sectors, supporting BC's innovation, tech, life sciences, and other emerging sectors.	• Ongoing: As of March 31, 2026, InBC committed $187 million into 16 B.C. companies and 10 venture funds, which have invested in an additional 24 B.C. companies across multiple sectors and economic regions. In total, 40 B.C. companies are supported through InBC's direct and indirect investments.
Other mandate letter priorities (prior to 2025) covered in this report.	**Status as of March 31, 2026**
Transition InBC to its new organizational mandate by developing and implementing a robust organizational framework that includes a governance and corporate accountability framework.	• Complete: Crown corporation has been established. Executive team, including a CEO and CIO, has been hired, and strong governance and accountability frameworks are in place
Develop, report and implement an approved investment policy for the strategic investment fund.	• Complete: InBC has an approved investment policy in place and is implementing this policy by committing capital to venture capital funds and directly into companies

Develop and report on a performance measurement and public accountability framework.	• Complete: InBC has established a performance measurement and accountability framework and reports annually to the legislature
Oversee the legacy investment portfolios and obligations: - Continue to manage the BC Renaissance Capital Fund venture capital investment portfolios and repayments to the federal government under the Immigrant Investor Program. - Provide biannual updates regarding the venture capital funds, including how they support growth, facilitate availability of capital for B.C. technology companies and stimulate job creation in B.C.	• Complete Funds are fully committed and out of their active investment phases. Investments continue to be monitored and managed. Biannual updates were provided to the Ministry of Jobs, Economic Development and Innovation • The Immigrant Investor Program is concluded, and all repayments have been made to the federal government

Appendix B: Subsidiaries and Operating Segments

Active Subsidiaries

B.C. Renaissance Capital Fund (BCRCF)

The BCRCF is wholly owned by InBC. The BCRCF is charged with managing legacy portfolio assets inherited by InBC Investment Corp. in 2020.

The BCRCF has venture capital investments in key technology sectors including information technology, digital media, clean technology, and life sciences. Investments are housed within two portfolios:

- B.C. Renaissance Capital Fund (Portfolio 1)
- B.C. Tech Fund (Portfolio 2)

Both Portfolio 1 and Portfolio 2 are now fully committed. Portfolio 1 investments are at or near maturity. BCRCF will continue to meet its capital commitments to Portfolio 2, but the portfolio is no longer making new investments.

Financial Summary

($000)	2024/25 Actual	2025/26 Budget	2025/26 Actual
Revenues[1]	2,036	0,000	1,398
Expenses[2]	(303)	0,000	(31)
Net Income	**1,733**	**0,000**	**1,367**

[1] [1] InBC does not include revenue from venture capital investments when forecasting due to the variable and unpredictable nature of the investments and associated distributions. Venture capital revenue is reported as it is realized.

[2] Operating expenses are incurred through InBC Investment Corp. and not through the BCRCF subsidiary.

Appendix C: Auditor's Report and Audited Financial Statements

Consolidated Financial Statements of

INBC INVESTMENT CORP.

Year Ended March 31, 2026

TABLE OF CONTENTS

MANAGEMENT'S REPORT	3
INDEPENDENT AUDITOR'S REPORT	4
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	7
CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGE IN ACCUMULATED SURPLUS	8
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS	9
CONSOLIDATED STATEMENT OF CASH FLOWS	10
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	12

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

Office of the
Auditor General
of British Columbia

623 Fort Street
Victoria, British Columbia
V8W 1G1

250.419.6100

oag.bc.ca

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.

B Parrish

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	**2026**	2025
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
	197,934	190,001
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**	-
	121,766	117,600
Net Financial Assets	**76,168**	72,401
Non-Financial Assets		
Tangible capital assets *(Note 7)*	**42**	67
Prepaid expenses	**251**	225
	293	292
Accumulated Surplus	**76,461**	72,693
Accumulated Surplus is comprised of:		
Accumulated Operating Surplus	**76,461**	72,693
Accumulated Remeasurement Gains	**-**	-
	76,461	72,693

Commitments *(Note 9)*

Approved by the Board

Suzanne Trottier| Chair – Board of Directors

Natascha Kiernan| Board of Directors

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

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

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

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
Carried forward from previous page:		
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.

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

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.

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 trusteed 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.

(tabular figures in $000)

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

(tabular figures in $000)

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 BCIIF when the Corporation was established under the *InBC Investment Corp. Act* on May 20, 2021. On March 31, 2017, the BCIIF 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

(tabular figures in $000)

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.

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.

(tabular figures in $000)

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
Remaining USD investment commitments (USD)	5,575	375	**5,950**	8,474
Remaining USD investment commitments translated to CAD	7,772	523	**8,295**	12,182
Remaining CAD investment commitments	42,402	12,862	**55,264**	57,781
Aggregate remaining investment commitments	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 *(Note 5)*	**120,576**	116,559
Due to Related Parties	**756**	908

(tabular figures in $000)

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.

(tabular figures in $000)

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 trusteed 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.