



Consolidated Financial Statements

Ontario Genomics Institute

March 31, 2025

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Independent Auditor's Report

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To the Members of
 Ontario Genomics Institute

Opinion

We have audited the consolidated financial statements of Ontario Genomics Institute (the "Organization"), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as at March 31, 2025, and the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Basis for Opinion

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

Other Matter

The consolidated financial statements of the Organization for the year ended March 31, 2024, were audited by another auditor who expressed an unqualified opinion on the consolidated financial statements on June 27, 2024.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Doane Grant Thornton LLP

Toronto, Canada
June 26, 2025

Chartered Professional Accountants
Licensed Public Accountants

Ontario Genomics Institute

Consolidated Statement of Financial Position

As at March 31

2025

2024

Assets

Current

Cash	\$ 10,254,742	\$ 2,826,081
Accounts receivable	182,690	428,266
Investments (Note 3)	2,210,348	2,107,022
Advances due from research projects, net	-	3,867,509
Deposits and prepaid expenses	<u>182,160</u>	<u>116,254</u>
	12,829,940	9,345,132
Investments (Note 3)	100,000	100,000
Capital assets (Note 4)	<u>231,709</u>	<u>163,125</u>
	\$ 13,161,649	\$ 9,608,257

Liabilities

Current

Accounts payable and accrued liabilities	\$ 530,186	\$ 1,054,559
Amounts due to research projects, net	1,091,437	-
Lease inducement	2,639	30,435
Deferred contributions (Note 5)	<u>7,731,250</u>	<u>4,658,686</u>
	9,355,512	5,743,680
Accrued liabilities	<u>60,000</u>	<u>120,000</u>
	9,415,512	5,863,680

Net assets

Invested in capital assets	231,709	163,125
Internally restricted for strategic initiatives	1,100,000	1,100,000
Unrestricted	<u>2,414,428</u>	<u>2,481,452</u>
	<u>3,746,137</u>	<u>3,744,577</u>
	\$ 13,161,649	\$ 9,608,257

Commitments (Note 7)

On behalf of the Board of Directors

Signed by:

Ann Marie Vaughan

Director

DocuSigned by:

Tom Corr

Director

Ontario Genomics Institute

Consolidated Statement of Operations

Year ended March 31	2025	2024
Revenue		
Amortization of deferred contributions (Note 5)	\$ 21,222,164	\$ 17,534,745
Interest and other	<u>233,363</u>	<u>199,535</u>
	<u>21,455,527</u>	<u>17,734,280</u>
Expenses		
Research projects	15,824,279	11,055,883
Business development	2,412,778	2,878,153
General and administrative	1,900,760	2,269,808
Research programs management	705,556	667,539
Outreach and communications	599,588	562,134
Amortization of capital assets	<u>11,006</u>	<u>9,114</u>
	<u>21,453,967</u>	<u>17,442,631</u>
Excess of revenue over expenses	\$ <u>1,560</u>	\$ <u>291,649</u>

Ontario Genomics Institute

Consolidated Statement of Changes in Net Assets

Year ended March 31

	Invested in capital assets	Internally restricted for strategic initiatives	Unrestricted	2025 Total	2024 Total
Net assets, beginning of year	\$ 163,125	\$ 1,100,000	\$ 2,481,452	\$ 3,744,577	\$ 3,452,928
Excess (deficiency) of revenue over expenses	(11,006)	-	12,566	1,560	291,649
Purchase of capital assets	79,590	-	(79,590)	-	
Net assets, end of year	\$ 231,709	\$ 1,100,000	\$ 2,414,428	\$ 3,746,137	\$ 3,744,577

Ontario Genomics Institute

Consolidated Statement of Cash Flows

Year ended March 31	2025	2024
Increase (decrease) in cash		
Operating		
Excess of revenue over expenses	\$ 1,560	\$ 291,649
Items not involving cash		
Lease inducement	(27,796)	(27,796)
Amortization of deferred contributions	(21,222,164)	(17,534,745)
Amortization of capital assets	<u>11,006</u>	<u>9,114</u>
	<u>(21,237,394)</u>	<u>(17,261,778)</u>
Change in non-cash assets and liabilities:		
Accounts receivable	245,576	(239,430)
Amounts due to research projects, net	4,958,946	(14,734)
Deposits and prepaid expenses	(65,906)	141,313
Accounts payable and accrued liabilities	(524,373)	(2,871)
Deferred contributions received	24,294,728	17,259,266
Long-term accrued liabilities	<u>(60,000)</u>	<u>(2,360)</u>
	<u>7,611,577</u>	<u>(120,594)</u>
Investing		
Purchase of capital assets	(79,590)	(155,144)
Purchase of investments, net	<u>(103,326)</u>	<u>(107,022)</u>
	<u>(182,916)</u>	<u>(262,166)</u>
Increase (decrease) in cash	7,428,661	(382,760)
Cash		
Beginning of year	<u>2,826,081</u>	<u>3,208,841</u>
End of year	<u>\$ 10,254,742</u>	<u>\$ 2,826,081</u>

Ontario Genomics Institute

Notes to the Financial Statements

March 31, 2025

1. Purpose of the Organization

The Ontario Genomics Institute (the "Organization") was incorporated without share capital on October 18, 2000 under the Canada Corporations Act as a not-for-profit organization and continued in 2014 under the Canada Not-for-profit Corporations Act. The Organization is exempt from income taxes under the provisions of the Income Tax Act (Canada).

The Organization's role is to drive the life sciences industry in Ontario through the use of genomics to increase the quality of life for all Ontarians through better health outcomes, a healthier environment and sustainable agriculture. This is accomplished by concentrating on three strategic areas:

- a) through Business Development, to catalyze access to and the impact of research outcomes, helping scientists market their discoveries and the resulting products, and also work to ensure that access to leading-edge technologies makes genomics research in Ontario more competitive;
- b) through Research Programs Management, to identify and cultivate emerging Ontario-led, pioneering research projects in genomics and related fields, and work with them to identify, attract and support funding; and
- c) through Outreach and Communications, to establish initiatives that increase awareness of genomics research and facilitate informed public dialogue about genomics and its impact on society.

2. Summary of significant accounting policies

Basis of presentation

These consolidated financial statements include the results of the Organization as well as the Organization's wholly owned subsidiary, Genomics Ontario Inc. All significant intercompany accounts and transactions have been eliminated upon consolidation.

These consolidated financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), the more significant policies of which are as follows:

Revenue recognition

The Organization follows the deferral method of accounting for externally restricted contributions, which include funds from Genome Canada and government ministries. Externally restricted contributions are recorded as deferred contributions and recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest and other income is recognized in the year in which it is earned.

Ontario Genomics Institute

Notes to the Financial Statements

March 31, 2025

2. Summary of significant accounting policies (continued)

Advances due from (amounts due to) research projects

Advances due from research projects comprise amounts provided by the Organization to approved research projects which have not been incurred. Amounts due to research projects comprise amounts payable by the Organization to projects for expenses already approved and incurred.

Financial instruments

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument. The Organization's financial instruments are comprised of cash, accounts receivable, investments, accounts payable, and amounts due to research projects, net. Financial assets and liabilities are initially recorded at fair value and are subsequently measured at amortized cost, with the exception of investments in debentures and equity instruments.

Financial assets or liabilities measured at amortized cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in excess (deficiency) of revenue over expenses. The Organization removes financial liabilities, or a portion thereof, when the obligation is discharged, cancelled or expires.

Investments in debentures and equity instruments

The Organization receives shares of non-affiliated companies, representing either a recovery of its cost associated with a research project or compensation for the work it provides to bring the opportunity to an investment ready state and as part of the consideration for providing loans and debentures or other investment instruments. The investments are in companies in which it has neither control nor the ability to exercise significant influence. Investments are initially recorded at cost and an impairment provision is made due to initial uncertainty in the future performance and viability of the underlying companies. The impairment provision is reversed when there are circumstances that indicate that all or part of the original investment will be recoverable, such as when the investee company becomes quoted in an active market. Proceeds from the sale of the investments are recognized as revenue at the time the investments are sold.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Furniture and fixtures are amortized on a straight-line basis over five years. Computer equipment is amortized on a straight-line basis over four years. Leasehold improvements are amortized over the lesser of their useful lives of ten years and the term of the lease. Assets attributable to capital projects that are not available for use are held as construction in progress and are not amortized until available for use.

Foreign exchange

The Organization's assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates in effect at the consolidated statement of financial position date. Revenue and expense items are translated at the rate of exchange prevailing on the date of the transaction.

Ontario Genomics Institute

Notes to the Financial Statements

March 31, 2025

2. Summary of significant accounting policies (continued)

Use of estimates

Management reviews the carrying amounts of items in the consolidated financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Management's estimates relate to the allowance for doubtful accounts, estimated lives of the Organization's capital assets and the impairment of investments.

These estimates are reviewed periodically and adjustments are made to the excess of revenue over expenses as appropriate in the year they become known.

3. Investments

	<u>2025</u>	<u>2024</u>
Debentures	\$ 300,000	\$ 300,000
Equity instruments	350,000	350,000
Provision for impairment	(550,000)	(550,000)
Term deposit	<u>2,210,348</u>	<u>2,107,022</u>
	2,310,348	2,207,022
Less current portion of investments	<u>2,210,348</u>	<u>2,107,022</u>
	\$ 100,000	\$ 100,000

The Organization's Pre-Commercial Business Development Fund program makes investments in debentures and equity shares of non-affiliated, early-stage companies for which the future performance and viability of the underlying companies is uncertain. An impairment provision is made on these investments, with the exception of the Organization's investment in the common shares of Foxtrot Acquisition Sub in the amount of \$100,000.

On January 6, 2025 (2024 – January 8, 2024), the Organization purchased a term deposit in the amount of \$2,210,348 (2024 – \$2,107,022) bearing interest of 2.38% (2024 – 5.20%) per annum and with a maturity of April 7, 2025 (2024 – July 8, 2024).

Ontario Genomics Institute

Notes to the Financial Statements

March 31, 2025

4. Capital assets

			<u>2025</u>	<u>2024</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Furniture and fixtures	\$ 62,539	\$ 62,539	\$ -	\$ 2,373
Computer equipment	183,367	163,944	19,423	26,453
Leasehold improvements	77,987	-	77,987	-
Construction in progress	<u>134,299</u>	<u>-</u>	<u>134,299</u>	<u>134,299</u>
	<u>\$ 458,192</u>	<u>\$ 226,483</u>	<u>\$ 231,709</u>	<u>\$ 163,125</u>

Construction in progress pertains to three bioreactors with an expected completion in fiscal 2026. Amortization will commence once the assets are in use.

Included in leasehold improvements is \$77,987 (2024 - \$Nil) of assets not yet in use. Amortization will commence once the assets are in use.

5. Deferred contributions

The Organization receives funding from Genome Canada, the Government of Ontario and the Government of Canada through its Ministries. Deferred contributions represent unspent funding to be used in future years to provide to eligible recipients and for the payment of other expenses in line with the related restriction.

The change in the deferred contributions is made up of the following:

	<u>2025</u>	<u>2024</u>
Balance, March 31, 2024	\$ 4,658,686	\$ 4,934,165
Deferred contributions received	24,294,728	17,159,266
Holdback receivable	-	100,000
Less amortization of deferred contributions:		
Genome Canada – Research	(16,617,187)	(12,029,927)
Genome Canada – Operations	(616,000)	(880,000)
Government of Ontario – Operations	(2,500,000)	(2,500,000)
Federal Economic Development Agency	(1,410,600)	(1,384,215)
Consecon – Cellular Agriculture	(49,927)	-
Pfizer – ThinkRare	(20,000)	-
Other research	(8,450)	(102,490)
Agriculture and Agri-food Canada	-	(628,113)
Lululemon - Upcycling Consortium	<u>-</u>	<u>(10,000)</u>
	(21,222,164)	(17,534,745)
Balance, March 31, 2025	<u>\$ 7,731,250</u>	<u>\$ 4,658,686</u>

Deferred contributions include \$7,327,912 (2024 - \$4,414,775) for research projects, \$403,301 (2024 - \$217,068) for the Organization's future research oversight committee expenses for Large-Scale Applied Research projects, \$Nil (2024 - \$20,000) for the Pfizer Think Rare project and \$Nil (2024 - \$6,843) of other deferred contributions.

Ontario Genomics Institute

Notes to the Financial Statements

March 31, 2025

6. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the consolidated financial statements in assessing the extent of risk related to financial instruments. There have been no significant changes in exposure from the prior year.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in raising funds to meet commitments associated to its financial liabilities. The Organization is exposed to liquidity risk mainly in respect to its accounts payable and amounts due to research projects, net.

The Organization manages its liquidity risk by forecasting cash flows from operations, investing and financing activities to ensure that it has sufficient funds available to meet current and foreseeable financial obligations.

Credit risk

Credit risk is the risk of financial loss occurring as a result of a counter party to a financial instrument failing to discharge an obligation or commitment that it has entered into with the Organization. The Organization's main credit risks relate to its accounts receivable and advances due from research projects, net.

The Organization reduces its exposure to credit risk by creating an allowance for doubtful accounts when appropriate. As at March 31, 2025, the allowance for doubtful accounts is \$Nil (2024 - \$Nil).

Interest rate risk

Interest rate risk is the risk that the fair value of an interest bearing financial instrument will fluctuate due to changes in market interest rates.

The Organization's exposure to interest rate risk is limited to its fixed interest bearing investments. The Organization mitigates its exposure by investing in accordance with the investment strategy developed by the Board of Directors.

7. Commitments:

Funding

The Organization has committed to funding the following research projects. Closing commitments represents closing commitments as at March 31, 2025 adjusted for new commitments, amendments and research project completions during fiscal 2025. Residual commitments represent closing commitments as at March 31, 2025 less cumulative expenses incurred since the inception of the research project and less advances from (amounts due to) research projects as at March 31, 2025.

Ontario Genomics Institute

Notes to the Financial Statements

March 31, 2025

7. Commitments (continued)

(000's)	Opening commitments	Additions	Amendments and completions	Closing commitments	Less cumulative amount paid for Expenses incurred	Advances (due to)	Residual commitments
All for One Health Data Ecosystem	\$ 950	\$ -	\$ -	\$ 950	\$ 887	\$ 16	\$ 48
2017 Bioinformatics and Computational Biology Competition	2,199	-	-	2,199	2,199	(50)	50
Canadian COVID-19 Genomics Network	2,990	-	-	2,990	2,990	-	-
Canadian Biotechnology Innovation and Commercialization initiative	-	1,109	-	-	-	-	-
Canadian Institutes of Health Research	-	500	-	500	-	-	500
eDNA Surveillance Initiative	-	474	-	474	-	-	474
Canadian Bioinformatics Workshops	247	-	-	247	223	(4)	25
COVID Relief	3,858	-	(182)	3,677	3,677	-	-
Disruptive Innovation in Genomics Phase 2 Rd 2	3,498	-	-	3,498	3,075	(36)	456
Canadian Precision Health Initiative	-	29,769	-	29,769	-	-	-
Global Alliance for Genomics in Health	915	-	-	915	764	17	134
Genome Applications Partnership Round 7	1,147	-	-	1,147	1,147	-	-
Genome Applications Partnership Round 10	2,891	-	-	2,891	2,889	-	2
Genome Applications Partnership Round 11	3,300	-	-	3,300	3,300	(100)	100
Genome Applications Partnership Round 12	926	-	-	926	926	(93)	93
Genome Applications Partnership Round 13	1,345	-	-	1,345	1,316	(71)	100
Genome Applications Partnership Round 14	2,000	500	-	2,500	2,348	(234)	386
Genome Applications Partnership Round 15	3,574	-	-	3,574	2,973	(358)	959
Genome Applications Partnership Round 16	266	-	-	266	265	(27)	27
Genome Applications Partnership Round 17	3,262	-	-	3,262	3,234	(189)	217
Genome Applications Partnership Round 19	5,325	-	-	5,235	4,270	222	834
Genome Applications Partnership Round 20	900	-	-	900	516	75	310
Genome Applications Partnership Round 23	3,362	1,995	-	5,358	2,255	(77)	3,179
Genome Applications Partnership Round 24	600	-	-	600	403	(40)	237
Genome Applications Partnership Round 25	2,000	-	-	2,000	613	402	985
Genome Applications Partnership Round 8	3,403	-	-	3,403	3,403	(99)	100
Genome Applications Partnership Round 9	1,990	-	-	1,990	1,991	(100)	100
Genome Applications Partnership Round 26	-	2,960	-	2,960	614	132	2,213
Genomics in Society Interdisciplinary Research Team	711	-	-	711	450	(245)	506
Genomics Technology Platforms	25,910	-	-	25,910	25,909	(300)	300
International Consortium Initiatives	-	5,964	-	5,964	788	654	4,522
COVID-19 Regional Genomics Initiative	238	-	-	238	238	-	-
2015 Large-Scale Applied Research Project Competition	6,721	-	-	6,721	6,707	(419)	433
2017 Large-Scale Applied Research Project Competition	16,754	-	-	16,754	16,710	(355)	400
2018 Large-Scale Applied Research Project Competition	8,994	-	(279)	8,715	8,494	(23)	244
2020 Large-Scale Applied Research Project Competition	6,000	-	-	6,000	4,439	(14)	1,575
Knowledge Mobilization and Implementation Coordination Hub	-	761	-	761	144	(55)	672
Ontario Regional Priorities Partnership Program	122	-	-	122	122	-	-
SSHRC - Social Sciences and Humanities Research Council	336	-	-	336	172	60	104
Technology Development 2022	4,000	-	-	4,000	2,233	393	1,374
	<u>\$ 120,737</u>	<u>\$ 44,032</u>	<u>\$ 461</u>	<u>\$ 164,308</u>	<u>\$ 112,684</u>	<u>\$ (914)</u>	<u>\$ 52,538</u>

Ontario Genomics Institute
Notes to the Financial Statements

March 31, 2025

7. Commitments (continued)

Operating lease

The Organization has entered into an operating lease agreement for premises expiring in fiscal 2031, with no option to extend. The anticipated payments in each of the next six years are as follows:

2026	\$	41,872
2027		125,615
2028		125,615
2029		125,615
2030		125,615
2031		83,743

8. Comparative information

Certain comparative information has been reclassified to conform with the consolidated financial statement presentation adopted in the current year.