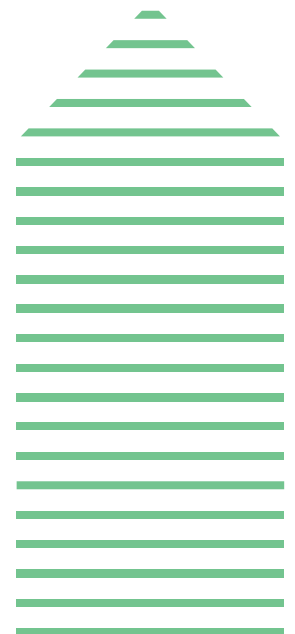
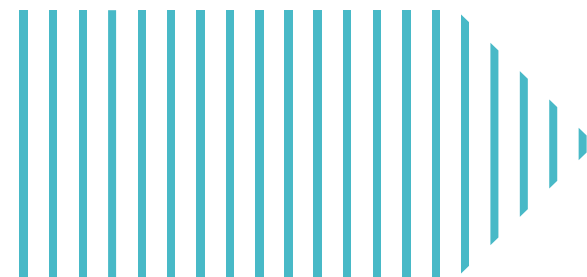
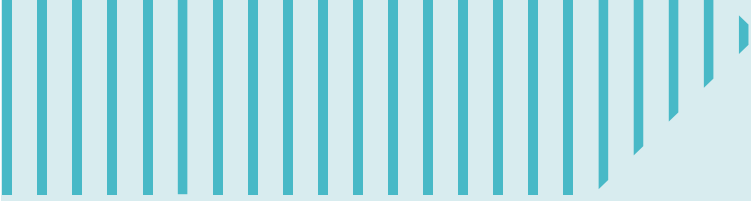




**NAVIGATE.**  
**INNOVATE.**  
**ACCELERATE.**





# A Year of **Navigating, Innovating,** and **Accelerating Forward**

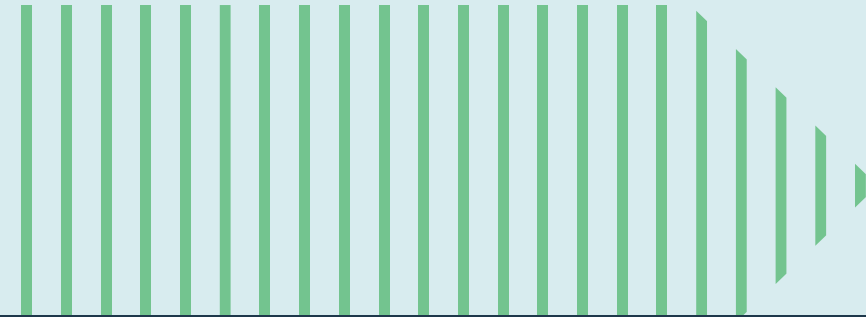
**A nimble, client-centric, and results-driven organization, Opportunities NB (ONB) is a Crown corporation, strategically led by a private-sector board of directors comprised of business leaders focused on New Brunswick’s economic success. As the lead business development organization for the province, ONB continues to work with companies inside and outside the province to further energize the private sector and drive economic growth.**

Since its inception, ONB has successfully served as the catalyst for competitive and innovative economic growth for the benefit of New Brunswick today and for generations to come. We are committed to continuing to deliver a positive return on investment for both our clients and the people of this province.

Both ONB and the people of New Brunswick navigated through a year of great transition in Fiscal 2020 – 2021. New health guidelines, regulations, and business practices took hold, creating a new normal for everyone. Our companies found ways to innovate – new product lines, technology upgrades, and strategies – to keep moving forward in the face of challenge. Meanwhile, ONB expanded its Business Navigators Team to improve our ability to connect companies with the resources they needed to navigate new regulations and accelerate their growth.

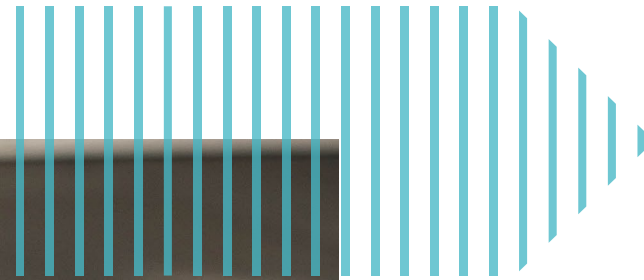
On top of COVID-19 and its impact, a new economic plan reset our course for the future with an eye towards doing our part to close the prosperity gap between New Brunswick and the rest of Canada. ONB embraced this mandate in Fiscal 2020 – 2021.

We have the unique privilege of working with businesses from every corner of the province and are proud to have helped many navigate through a demanding year. We see their passion, resilience, and their commitment to their businesses, and it is their innovation and creativity that will unlock a more prosperous future as we move past the pandemic.



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CEO Award Winner Fiscal 2020 – 2021, Lauren Manning, Marketing Specialist, ONB

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## A Message from Our Minister

Over the course of the past year, we have been firsthand witnesses to the strength and resilience of the New Brunswick community. Opportunities NB (ONB) worked with these companies within its refreshed mandate to redefine a pro-growth agenda for the province, leading the economic recovery that will re-energize our private sector.

Our government's focus on public health and safety has kept New Brunswickers safe from COVID-19 and led to the province being recognized nationally and internationally for its pandemic response efforts. The collaboration I have witnessed across departments has been nothing short of inspiring. As a result, multiple economic indicators point to New Brunswick exiting this challenging period with a prosperous future. People are moving to the province at levels not seen in years, companies are investing here, and new arrivals are spreading the word about the incredible quality of life New Brunswick provides.

This government will continue to build on this momentum and further grow New Brunswick's economy with a focus on immigration, international student retention, exports, productivity, and private sector investment.

Together, with the support of businesses, provincial and local partners, and industry stakeholders, I am confident that New Brunswick will make the economic disruption brought by COVID-19 a distant memory.

**Hon. Arlene Dunn**

Minister of Aboriginal Affairs  
Minister responsible for Economic Development and Small Business  
Minister responsible for Opportunities NB



Craig Manufacturing (Hartland, NB)





## A Message from Our Board Chair

Despite navigating enormously challenging circumstances, Opportunities NB (ONB) has again achieved strong results this past fiscal year.

I would like to welcome Gilles Cormier, Andrea Fuenekes, Andrew McLaughlin, and Andrée Savoie, all of whom joined our board of directors this past fiscal. These amazing New Brunswick business leaders bring years of private sector experience, innovative thinking, and excellent judgment to the table.

I am also honored to have stepped into the role of Chair this past spring and look forward to working with the ONB executive team to fulfill the very important mandate provided to ONB by the Minister. By focusing on attracting new talent and investment to the province and improving the competitiveness of New Brunswick companies both at home and abroad, I am confident that ONB will deliver exceptional results for the province, our businesses, and our citizens.

I am pleased to share with you the results achieved by ONB in Fiscal 2020 – 2021. On behalf of the entire board of directors, I would like to thank the ONB team, and our many partners and stakeholders for their continued support as we work to accelerate New Brunswick's recovery and look to build a more prosperous future for all New Brunswickers.

**Michael J. Campbell**

Acting Board Chair, Opportunities NB







## A Message from Our CEO

Over the past fiscal year, ONB's work has largely involved leading the economic response to COVID-19 and fully transitioning to a renewed economic mandate. ONB has refocused both its financial and human resources and embraced a whole-of-government approach to ensuring the province not only recovers but thrives in the post-pandemic world.

Together with our partners and stakeholders, we continue to deliver on our primary objective: successful business development in every region of our province. We continue to see great results on our top priorities – increasing private sector investment, improving the competitiveness of our businesses through innovation and productivity, connecting employers to great talent (both local and international), and increasing our exports.

The challenges of the past year highlighted the resilience of our companies and our own team. For our part, ONB quickly pivoted to a remote work setup at the onset of the pandemic with no business continuity issues; we always remained accessible to our clients. Across the province, the commitment of the many teams who mobilized to respond to the needs of our business community was remarkable to witness. Our collective focus on partnerships and real results was key to it all.

To deliver on the Government of New Brunswick's pro-growth agenda, ONB has engaged with a consultative committee comprised of CEOs, academic, and public-sector leaders throughout the province. This has been an incredible benefit to our team as we work to eliminate silos and execute on that whole-of-government approach to strategic economic development for the province.

Business confidence has returned in the face of COVID-19 and New Brunswick has begun witnessing positive economic trends and successes that will position us for further economic growth. Data from Statistics Canada pointed to New Brunswick as the *only* Atlantic province

## Senior Leadership Team



**Sadie Perron**  
Interim Chief  
Executive Officer



**Traci Simmons**  
Chief Operating Officer



**Neil Blanchard**  
Chief Financial Officer



**Steve Milbury**  
Vice President,  
Business Development

where non-residential capital expenditures were expected to increase throughout 2021, placing us second overall in Canada in terms of percentage growth. In addition, 3,533 people from elsewhere in Canada moved to our province between January and March of 2021, the largest number of new arrivals during that time of year since 1975, which created a net gain of 1,643 people for that quarter alone.

We will continue to build on that confidence and momentum through our day-to-day work with our clients and by continuing to highlight the province's many success stories via our website and social media. The recovery is underway, and ONB will continue to focus all its efforts on supporting the companies that wish to invest and grow in our province.

On behalf of the entire ONB team, including our newly-refreshed board of visionary directors, I would like to thank our partners and stakeholders for their ongoing dedication to the people of New Brunswick. Thanks to your support, I believe we can all look to the future with great confidence.

**Sadie Perron**

Interim CEO, Opportunities NB



# Board of Directors

Chosen for their passion for change, and experience developing local and international markets, ONB's board of directors is tasked with administering the business and affairs of the Corporation. Pursuant to the ONB Act, the board of directors assumes an oversight role in ensuring all decisions and actions are based generally on sound business practices.

Each of these senior business leaders bring with them a strategic perspective and orientation with the ability to exercise prudent, independent and sound judgment in the best interest of the Corporation, as well as a high standard of personal values and ethics. ONB's board is comprised of community and business leaders who have the expertise required to provide good corporate governance, with an eye towards improving overall corporate performance and working with ONB's executive team to fulfill the organization's mandate.

This past winter, ONB welcomed four new members to its board – Gilles Cormier, Andrea Feunekes, Andrew McLaughlin, and Andrée Savoie. These incredible New Brunswick business leaders bring decades of business experience, strategic thinking, and sound judgment to the table. They each embody ONB's high standards and four key organizational values – excellence, integrity, initiative, and accountability.



**Michael J. Campbell**

Acting Board Chair  
Executive, Audit & Finance,  
Governance & H.R.  
Retired



**Jim Baumgartner**

Executive, Audit & Finance  
Retired



**Gilles Cormier**

Executive, Audit & Finance  
Professional Engineer



**Andrea Feunekes**

Audit & Finance  
Remsoft



**Andrée Savoie**

Governance & H.R.  
Adelin Properties



**Andrew McLaughlin**

Governance & H.R.,  
Executive  
Major Drilling



**Cade Libby**

Executive  
President of RDC



**Sadie Perron**

Audit & Finance, Executive,  
Governance & H.R.  
Opportunities NB

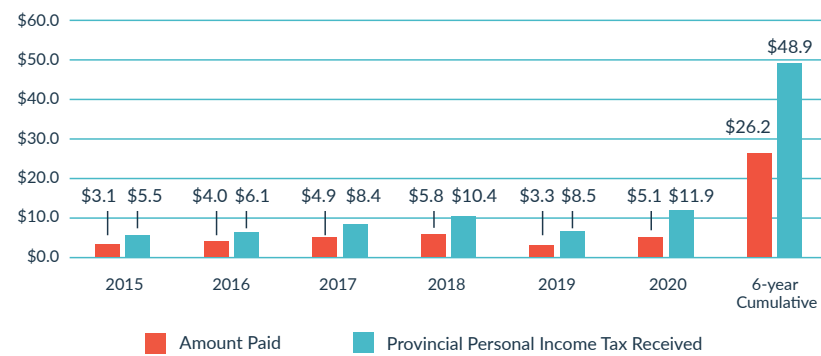
# Consistency, Progress, Results

ONB supports New Brunswick companies in a variety of ways. Thanks to our 360-degree view of the province's business ecosystem, much of our work involves making connections and facilitating business-to-business opportunities for our clients. We connect companies with the programs and resources they need to succeed, guide them through productivity improvements, increase their awareness of both public and private procurement opportunities, and provide advanced export expertise to help them reach new markets.

When investments are considered, ONB follows rigorous and conservative reporting standards to measure the impact of taxpayer-funded investments on the New Brunswick economy. ONB tracks and reports on its return to the province conservatively, looking at only direct and measurable benefits. While economic principles dictate that every direct impact has a corresponding indirect effect, ONB does not currently consider additional indirect or induced benefits, such as resulting business-to-business transactions and secondary job creation. In the coming fiscal year, ONB will be working to further improve upon its reporting, specifically around how it tracks and reports on the resulting broader economic impact of its work.

## 6 Year ROI for Payroll Related Assistance

As demonstrated below, ONB has a strong track record in delivering significant returns from its investments. This past fiscal, the ROI from its Payroll Assistance was 131%.



	2015	2016	2017	2018	2019	2020	6-year Cumulative
New Jobs Supported	665	855	838	1,479	1,318	670	5,825
Existing Jobs Supported	1,106	1,374	1,840	1,599	936	2,551	9,406
Provincial Personal Income Tax Received (\$M)	\$5.5	\$6.1	\$8.4	\$10.4	\$6.6	\$11.9	\$48.8
Average Assistance per Job	\$1,775	\$1,797	\$1,838	\$1,875	\$1,469	\$1,593	\$1,726
Net Return to Province (\$M)	\$2.4	\$2.1	\$3.5	\$4.6	\$3.3	\$6.7	\$22.6
Weighted Average Return on Investment (%)	76%	52%	71%	80%	99%	131%	86%

Data is based on client provided annual employment information. Prior years are revised if updated client information is received subsequent to publication.

Return on Investment is based on provincial personal income taxes received divided by the assistance provided by ONB.

Average Assistance per job supported is based on the Assistance provided by ONB divided by the Direct Employees Supported.

The above average return on investment realized in 2020 is driven from companies higher than average payroll supported (Provincial Personal Income Tax Received).



Hemant Kumar, Director, Strategic Priorities, ONB

## Performance of Financial Portfolio from April 2015 to March 2021

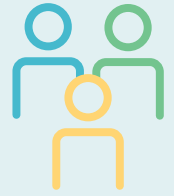
### Significant Accomplishments

- 1 Collected extra payments in excess of **\$80.1 million**
- 2 Saved GNB over **\$11.1 million**
- 3 Corporate Restructuring of over **\$41.1 million** to enhance security position
- 4 Reduced Provision on workout accounts by over **\$45.9 million**
- 5 Received Dividends and Gain on Sale of Equity of **\$7.2 million**
- 6 Interest Earned **\$44.2 million**
- 7 Reduction on Loan Guarantees exposures of **\$37.9 million**



# Fiscal 2020 – 2021 Highlights

## Business Growth Team



Supported  
**1,737**  
unique clients



67 signed agreements  
with 60 companies  
totalling nearly  
**\$13.2M**



Assisted in the creation of  
**382 jobs**  
with avg. salary of  
**\$54,954**



Invested  
**\$463,000**  
to support 11 productivity  
projects



Helped  
**60 companies**  
register for NBON supporting  
NB First Procurement Strategy  
(exceeding target by 200%)

## Business Navigators Team



**4,727**  
total inquiries (582 full cases  
and 4,145 quick hit cases)



Reported a  
**97.5%**  
satisfaction rate from clients  
on full cases

## Small Business Recovery Grant through ONB



**262**  
approvals for  
applications and  
**\$1.1M**  
in support

## Export Development Team



Supported  
**457**  
companies (through 1-on-1  
counseling and events)



Helped  
**36 companies**  
export into 94 markets with  
projected sales of  
**\$22M**

## Investment Attraction Team



**7 investments**  
with  
**7 companies**



Helped create  
**1,412 jobs**  
with an avg. salary of  
**\$43,513**

ONB contributed over  
**\$224M**  
to the provincial  
economy

## Our Collaborative Approach is **Paying Off**



Melanie Clark, Business Development Executive, and Ryan Stacey, Business Development Manager, MetalFab Ltd. (Centreville, NB)

### Strategy and Policy

Every dollar a business spends complying with rules and regulations is a dollar not spent on machinery and equipment, hiring more New Brunswickers, or improving productivity. Since October 2019, through the Ensure Competitive Regulation initiative, 14 departments, agencies, and Crown corporations have completed 28 projects and achieved over \$33M in savings, with most of the savings realized in Fiscal 2020 – 2021. To date, a net reduction in burden equivalent to more than 100,000 hours has been achieved, meaning private sector businesses are spending less time complying with rules and regulations and more time growing their respective businesses.

Research, analysis, and strategic advice are provided to senior leadership and other lines of business that aim to improve how ONB does business, refine our focus, and increase the value provided to our clients. COVID-19 response and recovery efforts were a significant component of our 2020 – 2021 activities, including research and analysis of the ongoing impact of the pandemic on our businesses. This included conducting a comprehensive survey of 130 New Brunswick businesses on the impact of the pandemic on their operations. The results contributed to the design and, ultimately, approval of the New Brunswick Small Business Recovery Grant program. A resource guide was also compiled of federal and provincial resources for businesses and the Business Navigators responded to thousands of COVID-19-related inquiries in addition to standard Business Navigator work of walking business owners, or aspiring business owners, through provincial regulatory requirements.

A whole-of-government approach to economic recovery and growth requires making sound policy decisions and a coordinated effort to engage all sectors of our society towards a common goal. Government decisions must champion the needs of the business sector, while also safeguarding our long-term financial position. To do so, GNB undertook a whole-of-government approach to economic recovery and growth with the release of the Economic Recovery and Growth Action Plan – Year 1. More than 13 departments, agencies, and Crown corporations contributed to this plan.



## Business Growth

Through our Business Growth Team, ONB supports small, medium, and large-sized businesses across every region of the province. In Fiscal 2020 – 2021, the team supported 1,737 unique clients, helping them navigate the New Brunswick ecosystem, connecting companies with the appropriate support via referrals, and providing access to advanced export expertise. To support COVID-19-related inquiries, four Business Development Executives (BDEs) from the Business Growth team temporarily joined the Business Navigators as that team expanded to better support our clients at the height of the pandemic.

In support of its refreshed mandate, ONB identified productivity improvement as a key driver that will help New Brunswick manufacturers increase competitiveness and resiliency. The ONB team is committed to supporting improved competitiveness within New Brunswick's manufacturing sector. Productivity NB is a project that saw ONB gather financial and business information from manufacturing clients for a three-year period (2016 – 2018), which was then benchmarked against Canadian manufacturing businesses using the BDC Productivity Benchmarking Tool. Through this initiative, many business leaders saw the need to invest in their companies' long-term productivity.

Of the 64 companies benchmarked in fiscal 2019 – 2020, 27 (42%) had a productivity improvement project ready to execute before the end of March 2021. A total of 34 productivity projects were undertaken, of which ONB supported 11 by investing \$463,488 (5% of total project costs). The total value of these 34 projects was \$8M.

The Business Growth Team also signed deals totalling nearly \$13.2M supporting the growth and expansion of New Brunswick-based companies and/or improvements to their productivity and sustainability. Sixty-seven deals with 60 unique companies were signed in Fiscal 2020 – 2021 creating 382 jobs with an average salary of \$54,954.

Clair, New Brunswick's **Waska** has been a major white cedar shingle manufacturer since 1969. In its fifty years, the family-operated business has grown to include aspen and cedar laths, cedar fencing boards, prefinished color shingles, and patterned shingles. In the process, their team has grown to nearly 100 employees.

In its effort to improve productivity and strengthen its competitive position overall, Waska recently invested heavily in building the world's first fully-automated cedar shingle manufacturing facility using modern 4.0 technologies. The results of this innovation? Lower production costs, reduced energy usage, enhanced efficiency, and a massive increase in employee safety. "ONB shares Waska's passion and desire to evolve," says Pierre Michaud, General Manager. "We have partnered with ONB, as well as NRC and ACOA, on several successful initiatives. I think Waska is a textbook example of great things being achieved in our small communities."



Waska Cedar Shingles (Clair, NB)





Bouctouche Bay Industries (BBI Group) (Bouctouche, NB)

## New Brunswick First Procurement Strategy

The New Brunswick First Procurement Strategy recognizes that public procurement can be an important lever for economic development by supporting local business and reducing barriers in obtaining NB government contracts. This strategy is a collaborative effort between Service New Brunswick (SNB), ONB, and the Department of Transportation and Infrastructure (DTI), and extensive consultations with New Brunswick suppliers and industry associations.

As a precursor to the program's full launch, a rapid response team of internal and external partners (including SNB and ACOA) was created to support companies during COVID-19 to sell PPE products to government. A total of 38 companies were manufacturing PPE during the onset of COVID-19, nine of those companies ended up successfully selling into GNB.

The strategy officially launched in November 2020 with a public website and dashboard. An initial goal was to increase the number of ONB client companies registered to sell into the GNB supply chain, with a target of 30 new companies registered with the New Brunswick Opportunities Network (NBON). With ONB acting as liaison to familiarize clients on procurement opportunities, the result was 60 new companies registered with the NBON, exceeding the target by 200%.

ONB's long-term goal is to instigate collaboration to drive opportunities for New Brunswick companies, and to eliminate and or further reduce import dependency. ONB is building a framework to act as a liaison to introduce more New Brunswick businesses into the supply chains of larger New Brunswick companies; and to ensure these introductions are resulting in real growth opportunities for NB companies.

Many New Brunswick businesses stepped up to support Canada's pandemic response efforts in Fiscal 2020 – 2021. **Bouctouche Bay Industries (BBI Group)** partnered with Dalhousie University's engineering department and Kingsclear-based Tower Machining to design and manufacture crucial PPE face shields for those dealing directly with COVID-19.

"Normally a tool such as this would take six to eight weeks to complete," noted BBI Group President & CEO Steen Gunderson in April 2020. "But the amazing team at Tower Machining are pulling out all the stops and working 24/7 to have it done for us in less than 10 days. As soon as the tool arrives here at BBI Plastics, we will go straight into production to start sending thousands of these units out of the door every day!"

PPE saves lives, and we are proud of these innovative and agile New Brunswick companies and their combined effort to create valuable products for our front-line workers. BBI's successful selling of PPE to the provincial government is just one example of public procurement's ability to support local businesses and drive economic development in New Brunswick.



## Business Navigators

Now heading into its second year of operation, ONB's Business Navigators credit guaranteed response time and client service excellence as the key drivers to providing small and medium-sized New Brunswick businesses with the help they need, when they need it.

Fiscal 2020 – 2021 brought immense challenges for businesses across the province. With COVID-19 came a high degree of uncertainty and unpredictability. Business Navigators were on the front line, and ONB quickly expanded the team to answer the increased volume of inquiries about new pandemic guidelines, provincial and federal relief measures, and other necessary resources.

In Fiscal 2020 – 2021, the Navigator Team received 4,727 total inquiries, with a reported 97.5% satisfaction rate on full cases. Of those cases, 21% were in relation to funding, 16% about licenses, 15% regarding registration, another 15% surrounding business planning, and a mix of additional types of inquiries.

The total dollar value in terms of regulatory burden savings resulting from Business Navigators support is \$1,448,313 for the fiscal year.

After a decade of teaching followed by several years in the corporate world, Kenneth Gunn left his most recent position in September 2020. With the pandemic placing extra strain on schools and students, Gunn felt he needed to help in his own unique way. "I figured it was possible to bring academic support resources to every corner of the province with a virtual solution, I just needed help getting started."

The result, **BoostEdu**, is an academic support company offering live academic support sessions (touching K-12 in both official languages) and adult ESL sessions in a virtual setting.

Gunn first contacted ONB's Business Navigators in October 2020, seeking guidance on launching his new venture. "I had no idea what I was doing; I'm an educator, not an entrepreneur. Dami (Damilola Ajibade) was incredibly patient with me and answered every question I had, and I had many." He says Dami helped him with business registration, market research, and job match resources. Most crucially, she introduced him to every partner BoostEdu would need to get started.



Kathryn Dimock, Business Navigator, ONB



Kenneth Gunn, Founder and Director of Operations, BoostEdu, and Damilola Ajibade, Business Navigator, ONB (Moncton, NB)



## Export Development

ONB's Export Development Team continues to offer New Brunswick companies of all sizes expertise and guidance on reaching new markets and further developing their export potential. Fiscal 2020 - 2021 saw the team help many New Brunswick-based companies pivot in the face of COVID-19 by offering virtual trade missions, as well as increased digitization and e-commerce initiatives. The team participated in a total of 123 export development-related activities this fiscal including trade shows, virtual trade missions, workshops, conferences, training events, and other virtual business development activities.

The year saw a total of 457 unique companies supported through 1-on-1 counseling and events. In addition, the export team helped 36 New Brunswick-based businesses export into 94 export markets over the course of the year. The total projected sales resulting from these activities is over \$22M for New Brunswick companies.

ONB client companies have benefitted tremendously from programs such as Grow Export, and export training program, and the Europe Market Development Program (EMDP), a consultation program helping regional exporters grow sales in Europe. "Travel restrictions have made the EMDP essential to our company's evolution by introducing us to many high potential customers and partners," says Erin Barrett, Chief Revenue Officer at Eigen Innovations. "This has raised interest in our industrial vision solution as manufacturers adopt new technology in bringing operations back to full capacity."

Our export strategic advisory services facilitate relationships with in-market experts, approved consultants and matchmakers, act as liaisons with local and federal partners, and lead and support business development events that foster further valuable connections.

Fredericton's **C-Therm Technologies** is experiencing tremendous success on a global scale as the world leader in transient thermal conductivity instrumentation. The high accuracy material data C-Therm provides is critical in the advancement of electronics, electric vehicles, and a broad range of applications. The company doubled its sales in the first half of 2021 versus the same period last year as the pandemic took hold. Over the past year, C-Therm has grown its team to 30 employees and notes strong demand for the product with customers such as 3M, Cummins, and Intel. "ONB provided us with support to help develop our international markets and build out our online presence including SEO and creative assets," notes CEO Adam Harris. "We have successfully transitioned through the pandemic to a virtual service delivery model. The gains produced through this work will long outlive the pandemic and increase customer value. We could not have achieved such success were it not for the investments made possible with ONB's support!"



Ryan Ingram, Director, Productivity, Innovation & Expansion, ONB, and Adam Harris, CEO, C-Therm Technologies (Fredericton, NB)





Marc Belliveau, President & CEO, Thinkmax (Moncton, NB)

## Investment Attraction

ONB continues to leverage the New Brunswick Advantage – the winning combination of our people, agility, innovation, and infrastructure – to attract some of the world’s top companies to our province. Despite the challenges brought on by the pandemic, ONB’s Investment Attraction efforts gained momentum throughout the fiscal year, resulting in more aggressive targets for next year as the world looks forward to the increased lifting of pandemic-related restrictions and a return to normalcy. Fiscal 2020 – 2021 saw seven investment attraction deals signed with seven unique companies. These deals created a total of 1,412 jobs with an average salary of \$43,513.

The benefits of our value proposition gained even more recognition on the world stage in Fiscal 2020 – 2021 as New Brunswick’s successful response to COVID-19 demonstrated that it is a safe haven for business continuity. The province’s telecommunications infrastructure easily supported the overnight transition to remote and hybrid workforce models.

Both employers and high-skilled talent alike have increasingly recognized the cost advantages, market access, and desirable quality of life New Brunswick represents. In fact, New Brunswick witnessed the largest provincial in-migration (3,533 people) in 46 years during the final three months of the fiscal year, creating a net gain of 1,643 new arrivals for that quarter.

Montreal-based **Thinkmax** is just one of the most recent companies to recognize the New Brunswick Advantage. The management and IT consulting firm established a new office in Moncton and has already begun recruiting. “ONB did a great job showing us the many pros of New Brunswick. It was exciting to work with people who are promoters of New Brunswick and proud of the business ecosystem it offers,” noted President and CEO Marc Belliveau. “The guidance and spiritual support from ONB have been as important as anything else.”



## Client Engagement

Indispensable to the success of any business expanding to or setting up in the province, ONB's Client Engagement team is laser-focused on connecting businesses with the resources they need to be successful in New Brunswick. Officially launched in Fiscal 2020 – 2021, this team connects client businesses with programs, partners, decision makers, and leaders to get them on the right track.

Client Engagement Specialists are regional authorities who specialize in developing tailored plans and customized solutions for client businesses. They offer support and counsel before the doors open, and long after, to ensure a company's New Brunswick-based operations gets to work faster, connected to the community, and confident in reaching their future goals.

“ONB's Client Engagement Specialist helped our team align our projects to real expectations within our community and get real measurable results that moved us closer to our goals long before we ever expected,” notes Dmitry Serhiienko, Founder of [Servecust](#) in Saint John.



Theresa Phillips, Manager, Client Engagement & Business Immigration, ONB



## Deal Structuring and Finance

ONB remains committed to strong financial management and being responsible stewards of public funds, while at the same time supporting New Brunswick entrepreneurs as they grow and prosper. With sound financial practices, policies, and controls in place, ONB is poised to deliver results, appropriately manage and mitigate risk, and continuously improve its transparency.

In Fiscal 2020 – 2021, a surplus of \$11.6M was generated. ONB successfully managed a reduced expenditure budget, with expenses down \$11M year over year. This can be attributed to the reduction in financial assistance as companies' expansion and project plans were put on hold due to the uncertainties surrounding the COVID-19 pandemic, administrative and business development reductions related to the impact of COVID-19 on travel, trade shows, and missions, as well as the delayed implementation of international offices. ONB issued over \$15M in direct financial assistance to businesses; providing vital support to companies as they sought to grow and prosper in New Brunswick.

ONB was also tasked with leading the province's pandemic response for New Brunswick businesses, including the structuring of the Government of New Brunswick Small Business Emergency Working Capital Program and the creation and implementation of the Small Business Recovery Grant (SBRG). From launch to March 25, 2021, ONB provided funding support of \$5M via the Working Capital Program. That same period saw an additional 248 approvals totalling \$17.4M in support administered by partners at the province's Community Business Development Corporations (CBDCs). The SBRG saw 262 applications approved between February 1 and March 31, 2021 with support to New Brunswick businesses totalling just over \$1.1M.

ONB also delivered funds totalling \$2.7M to the Canada Mortgage and Housing Corporation to administer the Canada Emergency Commercial Rent Assistance (CECRA) Program – Small Businesses under a bilateral agreement between the federal government and the province of New Brunswick. Companies with existing loans were supported with deferrals on their principal and interest repayments.

On March 31, 2021, ONB's managed portfolio of loans, investments, and guarantees (excluding provisions) were valued at \$361M. During the year, \$5.3M in new loans was advanced, with almost \$23M in loan repayments collected. Additionally, exposure on loan guarantees was reduced by over \$0.8M. Since its inception on April 1, 2015, ONB has generated more than \$51M in interest and investment income.

With a focus on generating positive returns for the province, ONB's team of dedicated professionals remains committed to ensuring that public funds are safeguarded while continuing to support New Brunswick companies as they pursue growth opportunities.



Oluwaseun Adewumi, Financial Specialist, ONB



# Emerging Growth Sectors

ONB continues to take a strategic approach to building capacity and strength in emerging, high-growth sectors. By identifying and investing in key economic sectors, ONB is preparing New Brunswick for continued growth over the long term by building a value proposition that drives private sector investment into research and innovation, infrastructure, workforce, and population growth.



Critical Infrastructure Security Operation Centre (CI-SOC), (Fredericton, NB)



Breathe BioMedical (formerly Picomole Inc.) (Moncton, NB)



## Cybersecurity

ONB continues its efforts to attract leading cybersecurity companies to the province and further strengthen our robust talent pipeline.

In Fiscal 2020 – 2021:

- New Brunswick's world-class ICT infrastructure coupled with its successful pandemic response contributed to better positioning New Brunswick as a tremendous place to successfully conduct business across the globe. Despite the pandemic, net new investment was still attracted to New Brunswick in the cybersecurity sector, in addition to significant local company growth: Beauceron Security reached \$2M in sales, and Sonrai Security completed a \$20M VC funding round.
- The Canadian Institute for Cybersecurity (CIC) at UNB struck an agreement with Bell Canada to train master's students in Fredericton. These students will then move into the company's cyber talent pipeline via its Bell Research Intensive Cyber Knowledge Studies (BRICKS) program. In 2021, 30 new students have been accepted to the cybersecurity program, double the previous year's intake. ONB is also supporting the CIC in its application for the Cyber Security Innovation Network funding.
- ONB's non-profit partner CyberNB announced the launch of CyberHatch, a cybersecurity incubator and accelerator program. Supporting partners of CyberHatch include Keiretsu Forum, the world's largest angel syndicate, the New Brunswick Innovation Foundation (NBIF), Knowledge Park, and Mitacs.



## Digital Health

Digital Health refers to the umbrella of technological advances for health and healthy living. ONB continues to develop a cluster of activity in this sector to position New Brunswick as 'Canada's Living Lab' for digital health.

In Fiscal 2020 – 2021:

- ONB continued to play a collaborative and consultative role alongside the Lark Group and the University of New Brunswick to establish the Health & Technology District in Saint John.
- A pan-Canadian network, CAN Health Network Atlantic, was established to help digital health companies scale by providing streamlined procurement pathways across the country. ONB, a core player in establishing the Atlantic hub of the network, is now awaiting the kickoff, at which point we will help drive business opportunities within the 'Call for Innovation', connecting the network to regional innovators who believe their product/solution addresses pressing health challenges.
- ONB provided letters of support to several digital health projects that were approved for the Healthy Seniors Pilot Project. We are confident this will result in more digital health investment and adoption throughout the province.





Mark McAloon, Founder & CEO, and Jeff McAloon, Chief Revenue Officer, The Smart Energy Company (solar farm in Shannon, NB)



Local by Atta (Moncton, NB)



### Energy Innovation

ONB is building on the infrastructure, expertise, and partnerships already in place in this sector to advance economic priorities in areas such as small modular reactors and clean tech.

In Fiscal 2020 – 2021:

- New Brunswick continued to move forward with significant investments in Small Modular Reactor (SMR) development. The province provided a \$20M investment to Saint John-based ARC Clean Energy to support its SMR technology. ONB played an active role in supporting companies like ARC and Moltex Energy in recruiting talent, navigating the immigration process and supply chain development, supporting the overall growth of this burgeoning sector.
- A GNB-wide Energy Innovation Action Team was assembled to align, collaborate, and assist in developing an energy innovation sector roadmap to accelerate federal funding and approval for larger projects.
- New Brunswick companies made waves. Fredericton’s Anessa signed a deal with international conglomerate IRCB Biogas to help build and monitor projects that collect energy from waste across Europe. Meanwhile, SimpTek continued to work with local utilities while expanding across Atlantic Canada and beyond. They now are actively collaborating on projects with groups including the Smart Grid Innovation Network (SGIN), UNB, the National Research Council, and QUEST Canada.



### Agritech

New Brunswick recognizes that agritech is critical to our ability to modernize our agricultural sector, one of our largest traditional industries. Many opportunities exist in agritech for import replacement and exports as well as investment attraction. ONB is championing New Brunswick companies with existing agritech products and services, leveraging the opportunity to become more food self-sufficient through collaboration of efforts, and attracting new agritech companies to the province.

Fiscal 2020 – 2021 saw ONB collaborate with the Department of Agriculture, Aquaculture and Fisheries (DAAF) in delivering on their “Improving Food Self-Sufficiency in New Brunswick” action plan which includes an agritech component. Our collaboration with DAAF also includes work on an approach to Controlled Environment Farming, a technology-based approach to food production.





Razor Contract Manufacturing Ltd. (Saint John, NB)



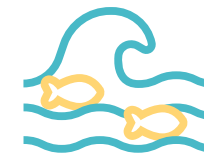
### Advanced Manufacturing

ONB aims to further develop an ecosystem of manufacturers that strive for growth, innovation, and technological adoption. Objectives are to provide a collaborative platform, programs, and visibility for our clients to make them better integrated in a resilient supply chain, more productive and capable of adapting to innovative technologies, and increasingly competitive in the global market.

In Fiscal 2020 - 2021, a new tool to assess the productivity levels of New Brunswick businesses was developed to measure and compare business to industry (See Business Growth section). This initiative, Productivity NB, continues in collaboration with our partners at the Atlantic Canada Opportunities Agency (ACOA). ONB also recognizes the need to identify and address scalability challenges (capital, talent, and export markets) to meet new demand in this sector – progress on these challenges is ongoing.



Port of Belledune (Belledune, NB)



### Oceans

ONB is positioning New Brunswick as an inclusive and collaborative jurisdiction that enables the growth and sustainability of the ocean economy. The aim is to make the province a global leader in the development and application of innovative technologies to meet the needs of primary industries, nurtures and supports emerging businesses, and attracts and retains investment, talent, and entrepreneurs.

The Huntsman Marine Science Centre, together with BioNB and Valorēs, is currently leading an initiative involving ONB, ACOA, and Canada’s Ocean Supercluster to support the growth and development of the oceans-based economy of New Brunswick. There is now a working group consisting of private and public sector partners working to identify a path forward for the sector. Meanwhile, DFO Canada is leading a federal initiative to develop a national strategy for development of the ocean economy.



# Transparency and Accountability

ONB is fully committed to being both transparent and accountable to New Brunswickers and as such is committed to the responsible management of public funds with an increased focus on reporting on performance. ONB continues to improve access to, and proactive disclosure of, information related to management and investment of public funds. Under its website's 'Transparency' section, ONB publishes information on its return on investment performance, its funding approvals to industry and detailed payment information.



Shannon Brittany-Pollock, HR Strategist, ONB

## Summary of Public Interest Disclosure Act Activity

As provided under section 18(1) of the Public Interest Disclosure Act, the chief executive shall prepare a report of any disclosures of wrongdoing that have been made to a supervisor or designated officer of the portion of the public service for which the CEO is responsible. ONB received no disclosures of wrongdoing in Fiscal 2020 – 2021.

## Summary of Legislation and Legislative Activity

ONB reported no legislation nor legislative activity in Fiscal 2020 – 2021.

## Summary of Official Languages Activity

ONB recognizes its obligations under the *Official Languages Act* and is committed to actively offering and providing quality services in both Official Languages. No official complaints were filed under the act in Fiscal 2020 – 2021.

During 2020 – 2021, ONB continued to apply tools that help employees work in the language of their choice. The organization continues to work toward achievement of the objectives set out in the government-wide Official Languages Action Plan. Below are some activities that were carried out during the year.

**Focus 1:** Ensure access to service of equal quality in English and French throughout the province:

- Completed a review of all linguistic profiles to ensure that resources can deliver services in both Official Languages.

**Focus 2:** An environment and climate that encourages, for all employees, the use of the Official Language of their choice in their workplace:

- As part of the annual Performance Review process, all employees are required to review the Language of Service and Language of Work policies and discuss with their managers.
- Offer opportunity to participate in French language training to employees.

**Focus 3:** Ensure that new and revised government programs and policies took into account the realities of the province's Official Language communities:

- Official Languages are part of the orientation for new employees.

**Focus 4:** Ensure public service employees have a thorough knowledge and understanding of the *Official Languages Act*, relevant policies, regulations, and the province's obligations with respect to Official Languages:

- Employees were asked to complete the online modules on Language of Service and Language of Work in order to build on their knowledge of the *Official Languages Act*.





Neil Blanchard, Chief Financial Officer, ONB

## Financial Statements of Opportunities New Brunswick

March 31, 2021

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## Management Report

The preparation of financial information is an integral part of management's responsibilities and the accompanying financial statements are the responsibility of the management of the Corporation. This responsibility includes the selection of appropriate accounting policies and making judgements and estimates consistent with Canadian Public Sector Accounting Standards (PSAS).

The Corporation maintains accounting systems and related controls to provide management and the Board of Directors with reasonable assurance that transactions are executed and recorded as authorized, that assets are properly safeguarded and accounted for, and that financial records are reliable for the preparation of financial statements in accordance with PSAS.

It is the responsibility of the Board of Directors to oversee management's performance of its financial reporting responsibilities and to review and approve the financial statements. It is assisted in its responsibilities by the Audit and Finance Committee. This committee reviews and recommends approval of the financial statements and meets periodically with management concerning internal controls and matters related to financial reporting. Upon the recommendation of the Audit and Finance Committee, these financial statements for the year ended March 31, 2021 are approved by the Board of Directors.



Sadie Perron  
Chief Executive Officer (Acting)



Neil Blanchard  
Chief Financial Officer

Fredericton, N.B., Canada  
June 2, 2021

## INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Board of Directors of Opportunities New Brunswick

### Report on the Audit of the Financial Statements

#### *Opinion*

I have audited the financial statements of Opportunities New Brunswick (the Entity), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, change in accumulated deficit, change in net debt, remeasurement gains and losses, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2021, and the results of its operations, changes in its net debt, changes in its accumulated deficit, changes in its remeasurement gains and losses, and its 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 Financial Statements* section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the 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.

#### *Emphasis of Matter*

I draw users' attention to Note 2 – Measurement Uncertainty describing measurement uncertainty in the financial statements as a result of the COVID-19 global pandemic. My opinion is not modified in respect of this matter.

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

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

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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



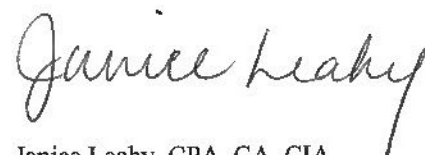
*Auditor's Responsibilities for the Audit of the Financial Statements*

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 Entity'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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Janice Leahy, CPA, CA, CIA  
Acting Auditor General

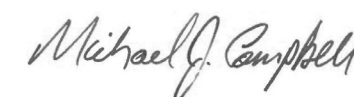
Fredericton, New Brunswick, Canada  
June 24, 2021

**Opportunities New Brunswick  
Statement of financial position  
as at March 31**

	2021	2020
<b>Financial Assets</b>		
Due from Province of New Brunswick	\$ 124,856,121	\$ 153,074,707
General receivables	211,066	590,379
Interest receivable	536,183	511,241
Loans receivable (note 7)	87,803,762	105,440,880
Investments (note 8)	22,811,025	17,571,503
<b>Total Financial Assets</b>	<b>236,218,157</b>	<b>277,188,710</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (note 11)	10,256,946	12,853,884
Provision for loss on loan guarantees (note 13)	8,130,000	10,346,884
Due to Province of New Brunswick (note 14)	287,895,570	335,778,153
<b>Total Liabilities</b>	<b>306,282,516</b>	<b>358,978,921</b>
<b>Net debt</b>	<b>(70,064,359)</b>	<b>(81,790,211)</b>
<b>Non-financial assets</b>		
Prepaid assets	27,333	87,479
<b>Total Non-Financial Assets</b>	<b>27,333</b>	<b>87,479</b>
<b>Accumulated deficit, end of period</b>	<b>\$ (70,037,026)</b>	<b>\$ (81,702,732)</b>

Contingent liabilities (note 13)  
Commitments (note 16)  
Subsequent events (note 20)

Approved by the Board:



Michael Campbell  
Chair - Board of Directors



Jim Baumgartner  
Chair - Audit Committee



**Opportunities New Brunswick  
Statement of operations  
for the year ended March 31**

	Budget 2021 (note 19)	2021	2020
<b>Revenue</b>			
Province of New Brunswick	\$ 31,384,000	\$ 31,384,000	\$ 29,643,000
Interest on loans (note 4)	6,200,000	6,810,483	7,064,827
Other	50,000	232,791	264,896
Designated recoveries	990,000	665,048	2,219,041
Income from investments (note 5)	-	74,465	430,233
Provision for losses recovery (note 6)	-	-	299,431
Cyber Essentials (note 18)	-	23,906	96,478
<b>Total Revenue</b>	<b>38,624,000</b>	<b>39,190,693</b>	<b>40,017,906</b>
<b>Expenses</b>			
Administration and business development services (note 15)	13,683,400	12,118,080	14,468,842
Financial assistance	20,000,000	15,251,152	23,944,743
Provision for losses expense (note 6)	5,000,000	130,033	-
Cyber Essentials (note 18)	-	25,722	377,280
<b>Total Expenses</b>	<b>38,683,400</b>	<b>27,524,987</b>	<b>38,790,865</b>
<b>Annual surplus (deficit)</b>	<b>\$ (59,400)</b>	<b>\$ 11,665,706</b>	<b>\$ 1,227,041</b>

**Opportunities New Brunswick  
Statement of change in net debt  
for the year ended March 31**

	Budget 2021	2021	2020
<b>Net debt, beginning of year</b>	<b>\$ (81,790,211)</b>	<b>\$ (81,790,211)</b>	<b>\$ (80,469,937)</b>
Annual surplus (deficit)	(59,400)	11,665,706	1,227,041
Net change in prepaid expenses	-	60,146	(58)
Change in remeasurement gains	-	-	(2,547,257)
<b>Net debt, end of year</b>	<b>\$ (81,849,611)</b>	<b>\$ (70,064,359)</b>	<b>\$ (81,790,211)</b>

**Opportunities New Brunswick  
Statement of change in accumulated deficit  
for the year ended March 31**

	Budget 2021	2021	2020
<b>Accumulated deficit, beginning of year</b>	<b>\$ (81,702,732)</b>	<b>\$ (81,702,732)</b>	<b>\$ (80,382,516)</b>
Annual surplus (deficit)	(59,400)	11,665,706	1,227,041
Change in remeasurement gains	-	-	(2,547,257)
<b>Accumulated deficit, end of year</b>	<b>\$ (81,762,132)</b>	<b>\$ (70,037,026)</b>	<b>\$ (81,702,732)</b>

**Opportunities New Brunswick  
Statement of remeasurement gains and losses  
for the year ended March 31**

	Budget 2021	2021	2020
<b>Accumulated remeasurement gains, beginning of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,547,257</b>
Unrealized (loss) gain attributable to:			
Investments	-	-	(2,129,242)
Realized gain on investments, reclassified to operations	-	-	(418,015)
<b>Accumulated remeasurement gains, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**Opportunities New Brunswick  
Statement of cash flows  
for the year ended March 31**

	2021	2020
<b>Operating transactions</b>		
Annual surplus	\$ 11,665,706	\$ 1,227,041
Non-cash items		
Increase (Decrease) in provision for doubtful accounts	3,212,999	(3,292,266)
Capitalized interest on loans	(2,494,733)	-
Amortization of concessionary interest	(525,733)	(413,201)
Concessionary interest on new loans	7,073	379,688
Changes in non-cash working capital balances		
General receivables	379,313	243,989
Interest receivable	(24,942)	250,728
Prepaid expenses	60,146	(58)
Guarantees payable	(2,216,884)	3,033,921
Accounts payable and accrued liabilities	(2,596,938)	(6,891,195)
<b>Total Operating transactions</b>	<b>7,466,007</b>	<b>(5,461,353)</b>
<b>Investing transactions</b>		
Loan advances	(5,294,820)	(41,245,936)
Loan repayments	22,732,332	41,461,814
Investment	(5,239,522)	152,007
<b>Total Investing transactions</b>	<b>12,197,990</b>	<b>367,885</b>
<b>Financing transactions</b>		
Loan payable to province of New Brunswick	(47,882,583)	(415,571)
<b>Total Financing transactions</b>	<b>(47,882,583)</b>	<b>(415,571)</b>
(Decrease) in cash during the year	(28,218,586)	(5,509,039)
Cash, beginning of the year	153,074,707	158,583,746
<b>Cash, end of year</b>	<b>124,856,121</b>	<b>153,074,707</b>
<b>Cash is represented by: Due from Province of NB</b>	<b>\$ 124,856,121</b>	<b>\$ 153,074,707</b>

**Opportunities New Brunswick**  
Notes to the financial statements  
March 31, 2021

**1. Nature of operations**

The Opportunities New Brunswick Act was proclaimed and came into force on April 1, 2015. The new Act repealed the Invest New Brunswick Act and Economic Development Act. Under these provisions, all assets and liabilities of Invest NB and the Minister of Economic Development became the assets and liabilities of Opportunities New Brunswick on April 1, 2015.

As a Crown corporation, Opportunities New Brunswick ("ONB") is the focal point for all of New Brunswick's economic development activities. Client-focused, proactive, professional and accountable, ONB is the single point of contact for local and foreign businesses looking to grow, expand or locate. ONB performs critical functions focused on performance, high-growth opportunities and growing New Brunswick.

**2. Summary of significant accounting policies**

*Basis of accounting*

These financial statements are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as issued by the Public Sector Accounting Board ("PSAB").

*Asset classification*

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Non-financial assets are acquired assets that do not normally provide resources to discharge existing liabilities, but instead are employed to deliver government services, may be consumed in the normal course of operations and are not for resale. Non-financial assets include prepaid expenses.

*Due from Province of New Brunswick*

As ONB does not have a separate bank account; ONB expenses and revenues flow through the Province of New Brunswick's ("the Province") bank accounts.

*Investments*

Investments in equity instruments of private enterprises are carried at cost, with realized gains and losses recognized in the statement of operations in the period that they are derecognized.

Investments in equity instruments of private enterprises are classified as impaired when, in the opinion of management, there has been a loss in the value of the equity instruments that is other than a temporary decline. Impairment losses are recorded in the statement of operations in the period they are incurred. The investments are reviewed annually for potential declines in value.

Investments in equity instruments that are quoted in an active market are carried at fair value. Changes in the fair value of the equity instruments are recognized in the statement of remeasurement gains and losses as a remeasurement gain or loss until the financial instrument is derecognized, at which time the gain or loss is reclassified to the statement of operations.

*Tangible capital assets*

ONB has expensed capital assets acquired with an individual value of \$40,000 or less. Accordingly, there are no tangible capital assets to record or amortize during 2020 and 2021.

*Land*

ONB owns land of nominal value, and as such is not recorded.

*Prepaid expenses*

Prepaid expenses include travel and salary advances, media subscriptions, and other cash distributions made to third parties in advance of the benefit being received. Prepaid expenses are charged to expense over the periods to which they relate.

*Revenue and receivables*

Revenue and receivables are recognized on an accrual basis as earned. Amounts receivable but deemed uncollectable are recognized as bad debt expenses.

Interest revenue is recognized on loans receivable when earned. Interest revenue ceases to be accrued on a loan receivable when the collectability of either principal or interest is not reasonably assured.



## 2. Summary of significant accounting policies (continued)

### Expenses

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

### Pension expenses

The *Public Service Superannuation Act* (the "PSSA") was converted and replaced by the *New Brunswick Public Service Pension Plan* (the "NBPSPP"). The NBPSPP is a shared risk pension plan in accordance with *New Brunswick's Pension Benefits Act*. Certain employees of ONB are entitled to receive benefits under the NBPSPP. This converted plan requires all employer classified full-time employees participate in this new plan, which is funded by both the employee and the employer. Employer pension contributions are paid and expensed by the Province on behalf of ONB. ONB is not responsible for any unfunded liability nor does it have access to any surplus with respect to its employee pensions. Refer to ONB expenses paid by other parties note below for further information.

### Retirement allowances

Certain long serving employees receive a retirement allowance upon retirement from public service. The plan is funded by the Province. The Province made changes to its retirement allowance program in 2013 where management and non-union employees of ONB will no longer accumulate retirement allowance credits. Employees who were participating in this program were offered a choice of pay-out in lieu of a retirement allowance or, for those with more than five years of service, an option to defer the pay-out until retirement. The costs and liability associated with the plan is not the responsibility or obligation of ONB and is recorded by the Province in its financial statements.

### Opportunities NB expenses paid by other parties

Certain employer costs such as pension contributions and Canada Pension Plan are paid and expensed by the Province on behalf of ONB. Sick leave liability is accounted for by the Province in its financial statements. These expenses and the related asset/liability balances are not presented in these financial statements. Under the agreed operating terms of ONB, these benefit plan balances will remain obligations/assets of the Province and will not be assumed by ONB.

### Accrued post-closing costs

ONB accrues post-closing costs. The reported liability is based on estimates and assumptions using the best information available to management as documented in Note 12. Future events may result in significant changes to the estimated total expenses; capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate when applicable.

### Financial instruments

Financial instruments consist of due from Province of New Brunswick, general receivables, interest receivable, loans receivable, investments, accounts payable and accrued liabilities, and due to Province of New Brunswick.

Financial instruments are initially recognized at fair value, plus any directly attributable transaction costs, when ONB becomes a party to the contractual rights and obligations of the financial instrument. Fair value represents the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial instruments are derecognized when the contractual rights to the cash flows from the financial asset have expired or have been transferred, and ONB has transferred substantially all risks and rewards of ownership, or are derecognized when the contractual obligation has been discharged, cancelled, or has expired.

ONB classifies its financial instruments in the following groups:

#### a. Cost or amortized cost

General receivables consist of guarantee fees and lease fees as well as the general provision against such receivables.

Interest receivable consists of interest on the loans receivable as well as the provision on the interest receivable. Interest is recognized using the effective interest method.

## 2. Summary of significant accounting policies (continued)

Loans receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans receivable are measured at amortized cost using the effective interest method, less any valuation allowances on the loans where management estimates amounts may be uncollectable in the future.

Investments are financial assets that are measured at cost and assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost (details in Note 10).

Accounts payable and accrued liabilities, and Due to Province of New Brunswick are classified as financial liabilities. Subsequent to initial recognition, financial liabilities are measured at amortized cost using the effective interest rate method.

#### b. Fair value category

Investments are financial assets that are measured at fair value with changes in fair value recognized annually in the statement of remeasurement gains and losses until the investment is derecognized and the gain or loss is reclassified to the statement of operations (details in Note 10).

Due from Province of New Brunswick consists of cash equivalents and are measured at fair value, which is assumed to represent the carrying value, which is historical cost.

### Measurement uncertainty

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period.

The most significant areas requiring the use of management estimates relate to the determination of valuation allowances on loans receivable and loan guarantees, accrued post-closing costs, concessionary interest, accrued expenses and future year commitments. Actual results could differ from management's best estimates, as additional information becomes available in the future. A sensitivity analysis indicates that the impact of a +/- 5% change in the overall valuation allowance on loans receivable could impact net loans receivable and bad debt expense by +\$9.9 million or -\$8.5 million (2020 +\$9.1 million or -\$11.4 million).

The COVID-19 pandemic that was declared in March 2020 is on-going and ONB expects the pandemic will continue to impact the financial results of loan repayments, valuation allowances and investment values. As the pandemic is still on-going, the related financial impacts cannot be reasonably estimated at this time. ONB will continue to closely monitor and evaluate the associated impacts on clients and on internal financial results.

### Harmonized sales tax (HST)

ONB does not record HST on invoices paid, as HST is paid for, and subsequently reimbursed to, the Province.

### Government transfers

#### Expenses

Government transfers are transfers of money, such as grants, to an organization for which ONB does not receive any goods or services directly in return. Government transfers are comprised of financial assistance.

#### Revenues

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Government transfers are provided by the Province in the form of operating grants in accordance with the Government's Main Estimates process



## 2. Summary of significant accounting policies (continued)

### Forgivable loans

Loan agreements which include forgiveness provisions are charged to financial assistance expense when the forgiveness is considered likely.

### Valuation allowances

Valuation allowances are used to reflect loans receivable at the lower of cost and net recoverable value. A valuation allowance is also recorded on loan guarantees when it is determined that a loss is likely. An annual review is performed on loans receivable and loan guarantee balances and an allowance is recorded, which reflects management's best estimate of probable losses. Initial and subsequent changes in the amount of valuation allowance are recorded as a charge or credit to the statement of operations.

### Concessionary loans

ONB recognizes a concessionary loan when the interest rate charged to a client is lower than the Province's borrowing rate in the capital markets. The net present value of the concessionary interest is calculated based on the difference between the interest rate charged and the Province's borrowing rate at the time the loan was issued. The concessionary portion of the loan is recorded as an expense in the year of issue. This amount is amortized to revenue on a straight-line basis over the term of the loan. The recorded value for these loans is the face value less the unamortized portion of the concessionary interest.

### Concessionary loan interest

The foregone interest on the concessionary loans issued by ONB is expensed in the year the loans are issued and amortized into revenue over the life of the concessionary term of the loans.

### Loans payable to Province of New Brunswick

The Province issues interest-free loans to ONB which are then issued to clients. Client repayments are applied against ONB's loan obligations to the Province. The Due to Province of New Brunswick is calculated at face value, less repayments received each year.

## 3. Related entity transactions

ONB is related to the Province and several of its departments and agencies.

Transactions with these related entities have occurred and been settled on normal trade terms, with the exception of the items noted below:

- ONB is economically dependent on the Province. During the fiscal year, ONB received funding of \$31.4 million (2020 - \$29.6 million) from the Province.
- ONB uses an office for which rent is paid for by the Province.

The Province provides certain other central services for ONB, which are recorded at the exchange amount as if the entities are dealing at arm's length.

## 4. Interest revenue on loans

	2021		2020
Amortization of concessionary loan interest	\$ 525,733	\$	413,201
Loan interest	6,284,750		6,651,626
	<b>\$ 6,810,483</b>	<b>\$</b>	<b>7,064,827</b>

## 5. Income from investments

Income from investments of \$74,465 (2020 - \$430,233) was recorded during the year.

## 6. Recovery of doubtful accounts and bad debt expense

	2021		2020
Recoveries - loans and guarantees	\$ 718,081	\$	47,686
Changes in provision allowance	(848,114)		251,745
	<b>\$ (130,033)</b>	<b>\$</b>	<b>299,431</b>

## 7. Loans receivable

	2021		2020
Opening balance	\$ 228,004,482	\$	228,186,847
Net loans advanced	5,294,820		41,245,936
Capitalized interest	2,494,733		-
Amortized interest free portion into revenue	525,733		413,201
Concessionary interest on new loans	(7,073)		(379,688)
Repayments received	(22,732,332)		(41,461,814)
Loans written off	(15,612,094)		-
Loan forgiveness	(362,696)		-
	<b>197,605,573</b>		<b>228,004,482</b>

### Valuation allowance

Opening balance	(122,563,602)		(125,855,868)
(Increase) decrease in provision	(3,212,999)		3,292,266
Loans written off	15,612,094		-
Loan forgiveness	362,696		-
	<b>(109,801,811)</b>		<b>(122,563,602)</b>
Loans receivable (net)	<b>\$ 87,803,762</b>	<b>\$</b>	<b>\$105,440,880</b>

Interest charged on these loans ranges from 0% to 10%. Repayment terms are negotiated on specific loans and would normally not exceed 30 years. The level of security on loans is also negotiated between ONB and the debtor based on the risk associated with the individual loan. The security can include life insurance, company assets, personal guarantees, or the value of the parent company. Security can range from an unsecured position to a fully secured position.

## 8. Investments

The investments held in corporations have terms that are negotiated between ONB and the investee based on the risk associated with the individual investments.

	2021	2020
Opening balance	\$ 17,571,503	\$ 20,270,767
New investments	5,825,086	1,841,235
Redemptions and transfers	(325,696)	(2,001,546)
Impairment	(259,868)	8,304
Change in remeasurement (loss) gain	\$ -	(2,547,257)
	<b>\$ 22,811,025</b>	<b>\$ 17,571,503</b>

## 9. Risk management

An analysis of significant risk from ONB's financial instruments is provided below:

### (a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. ONB manages this exposure through credit approval procedures for loan and investment applicants, and the monitoring of payments from debtors. Applicants are assessed for credit quality by taking into account external credit ratings, where available, an analysis of financial position and liquidity, past experience and other factors.

ONB's maximum exposure to credit risk at March 31, 2021 is equal to the general receivables, loans receivable and investments balances of \$110,825,853 (2020 - \$123,602,762).

### (b) Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity requirements are managed through the receipt of provincial revenues, income generated from loans receivable and equity investments, and principal repayments received on loans receivable. These sources of funds are used to pay operating expenses and repay debt payments to the Province. In the normal course of business ONB enters into contracts that give rise to commitments for future payments which also impact ONB's liquidity. ONB also maintains cash through the Province and this account is used to pay accounts payable and accrued liabilities. ONB manages this risk by monitoring the loan repayments from debtors.

### (c) Interest rate risk

Interest rate risk is the risk that the market value of ONB's investments and debt will fluctuate due to changes in the market interest rates. ONB's rate of interest charged on loans receivable are fixed as stated in legal agreements. Any change in market interest rates during the period would have no effect on the cash flows of ONB.

## 9. Risk management (continued)

### (d) Concentration risk

Concentration risk occurs when a lender's loan portfolio has a higher concentration of value towards either (1) one entity or group of entities ("Name Risk") or (2) a particular region, product, industry or sector ("Sector Risk"). Due to the nature of the New Brunswick economy's reliance on primary industries, ONB's loan portfolio is over weighted in primary industries, most notably the forestry industry. As at March 31, 2021 ONB faced the following concentration risks (gross portfolio exposure net of allowance):

- Name Risk of \$124.2 million (86.5%) for ten corporate entities/groups (2020 - \$138.5 million (88.0%) for ten corporate entities/groups);
- Sector Risk of \$36.9 million (25.7%) for seven corporate entities/groups within the forestry sector (2020 - \$32.4 million (26.3%) for eight corporate entities/groups).

## 10. Financial instrument classification

	Fair Value	2021 Amortized Cost	Total
Due from Province of New Brunswick	\$ 124,856,121	\$ -	\$ 124,856,121
General receivables	-	211,066	211,066
Interest receivable	-	536,183	536,183
Loans receivable	-	87,803,762	87,803,762
Investments	-	22,811,025	22,811,025
Accounts payable and accrued liabilities	-	10,256,946	10,256,946
Provision for loss on loan guarantees	-	8,130,000	8,130,000
Due to Province of New Brunswick	-	287,895,570	287,895,570
	<b>\$ 124,856,121</b>	<b>\$ 417,644,552</b>	<b>\$ 542,500,673</b>
	Fair Value	2020 Amortized Cost	Total
Due from Province of New Brunswick	\$ 153,074,707	\$ -	\$ 153,074,707
General receivables	-	590,379	590,379
Interest receivable	-	511,241	511,241
Loans receivable	-	105,440,880	105,440,880
Investments	-	17,571,503	17,571,503
Accounts payable and accrued liabilities	-	12,853,884	12,853,884
Provision for loss on loan guarantees	-	10,346,884	10,346,884
Due to Province of New Brunswick	-	335,778,153	335,778,153
	<b>\$ 153,074,707</b>	<b>\$ 483,092,924</b>	<b>\$ 636,167,631</b>



#### 10. Financial instrument classification (continued)

The following table provides an analysis of financial instruments measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2021			
	Level 1	Level 2	Level 3	Total
Due from Province of New Brunswick	\$ 124,856,121	\$ -	\$ -	\$ 124,856,121
	\$ 124,856,121	\$ -	\$ -	\$ 124,856,121
	2020			
	Level 1	Level 2	Level 3	Total
Due from Province of New Brunswick	\$ 153,074,707	\$ -	\$ -	\$ 153,074,707
	\$ 153,074,707	\$ -	\$ -	\$ 153,074,707

#### 11. Accounts payable and accrued liabilities

	2021	2020
Trade accounts payable	\$ 2,451,951	\$ 2,104,040
Financial assistance	2,995,020	6,366,573
Accrued post-closing costs (Note 12)	4,079,000	3,700,000
Vacation liability	401,669	286,815
Salary and benefits	329,076	391,475
Goods and services tax	230	4,981
	\$ 10,256,946	\$ 12,853,884

#### 12. Accrued post-closing costs

ONB is responsible for the continued monitoring and treatment of 5 environmental sites used by pulp mills, which are now closed as the sites had reached their capacity and there is currently no timeline for capping the site. The sites have been closed and require no additional funding for closure procedures. The liability recognized in the financial statement is subject to measurement uncertainty and the recognized amounts are based on ONB's best information and judgment. The accrued liability for post-closing costs has been determined based on estimated post-closing costs of \$4,079,000 (2020 - \$3,700,000).

Post-closing costs are assumed not to be incurred in the near future and for this calculation's purpose are estimated as at March 31, 2021.

At March 31, 2021 the estimated annual monitoring costs of \$51,000 (2020 - \$46,000) are unfunded by ONB as these costs are currently being covered by the pulp mill as part of their ongoing maintenance. Should the pulp mill cease these operations, ONB would assume the responsibility and fund the annual monitoring costs.

#### 13. Contingent liabilities

##### (a) Guaranteed debt

ONB has provided guarantees in respect of the credit facilities of various entities. As at March 31, 2021, there were 4 (2020 - 7) guarantees outstanding for a total value of \$15,700,000 (2020 - \$16,499,884) and with a provision of \$8,130,000 (2020 - \$10,346,884). The guarantees are secured by various assets and proceeds from liquidation which are expected to offset a portion of any possible payments under guarantees.

##### (b) Legal liabilities

ONB may be subject to litigation in the course of its operations. In management's judgment, no material exposure exists at this time and accordingly, management has not recorded a provision for potential losses in the financial statements.

#### 14. Due to Province of New Brunswick

	2021	2020
Face value of total portfolio	\$ 289,189,122	\$ 337,590,364
Concessionary interest	(1,819,285)	(2,225,412)
Amortized portion	525,733	413,201
Book value of total portfolio	\$ 287,895,570	\$ 335,778,153

The Province issues interest-free loans to ONB which are then issued to clients. Client repayments are applied against ONB's loan obligations to the Province.

15. Administration and business development services

	2021	2020
Salaries and benefits	\$ 8,713,239	\$ 10,482,265
Other services	3,253,476	3,766,326
Materials and supplies	92,142	141,194
Property and equipment	\$ 59,224	79,057
	<b>\$ 12,118,080</b>	<b>\$ 14,468,842</b>

16. Commitments

The following amounts are future financial commitments for financial assistance agreements.

	Commitment
2022	\$ 16,231,262
2023	\$ 10,293,349
2024	\$ 7,138,987
2025	\$ 7,548,414
2026	\$ 983,427

17. CyberNB financial information

Administration and business development services expenses include transactions related to activities associated with CyberNB, an economic development strategic initiative of ONB. CyberNB's mission is to establish New Brunswick as a leader in the domain of cyber security by creating a safe and resilient internet for citizens and businesses.

	Budget 2021	2021	2020
<b>Administration and business development services</b>			
ONB Operations	\$ 13,578,400	\$ 11,887,996	\$ 12,903,237
Cyber Operations	105,000	230,085	1,565,605
	<b>\$ 13,683,400</b>	<b>\$ 12,118,081</b>	<b>\$ 14,468,842</b>
<b>Strategic assistance</b>			
Financial assistance	\$ 25,000,000	\$ 15,084,110	\$ 22,625,331
Cyber Projects	-	167,042	1,319,412
	<b>\$ 25,000,000</b>	<b>\$ 15,251,152</b>	<b>\$ 23,944,743</b>

CyberNB transitioned from ONB into an independently governed and funded not-for-profit association, effective June 1, 2020.

18. Cyber Essentials Special Operating Agency (SOA)

The Cyber Essentials SOA was established at ONB in fiscal 2019. Cyber Essentials is a segment of CyberNB, operating as an SOA for the purpose of generating revenue. The first objective of the SOA was to manage cybersecurity cluster development initiatives through its Cyber Essentials certification program, helping to protect businesses from over 80 percent of common internet threats. Reinvestment strategies relating to any and all generated and retained revenues are reviewed annually.

**Cyber Essentials Special Operating Agency**  
Statement of Operations for the year ended March 31

	2021	2020
<b>Revenue</b>		
Licenses and fees	\$ 23,906	\$ 96,478
	<b>23,906</b>	<b>96,478</b>
<b>Expenses</b>		
Salaries and benefits	12,526	161,070
Other services	13,046	214,665
Materials and supplies	150	1,544
	<b>25,722</b>	<b>377,279</b>
Operating deficit	\$ (1,816)	\$ (280,801)
Operating deficit, beginning of year	(719,662)	(438,861)
Operating deficit, end of year	<b>\$ (721,478)</b>	<b>\$ (719,662)</b>

Cyber Essentials transitioned from ONB into an independently governed and funded not-for-profit association, effective June 1, 2020.

19. Budget

Budget figures included in these financial statements are the amounts published in Main Estimates and approved by ONB's board of directors, adjusted for transfers from the Province of New Brunswick under their Supplementary Funding Provision Program. During the year, ONB received a transfer of \$59,400 (2020 - \$106,880) under Administration and business development services for costs associated with contract settlements.

20. Subsequent events

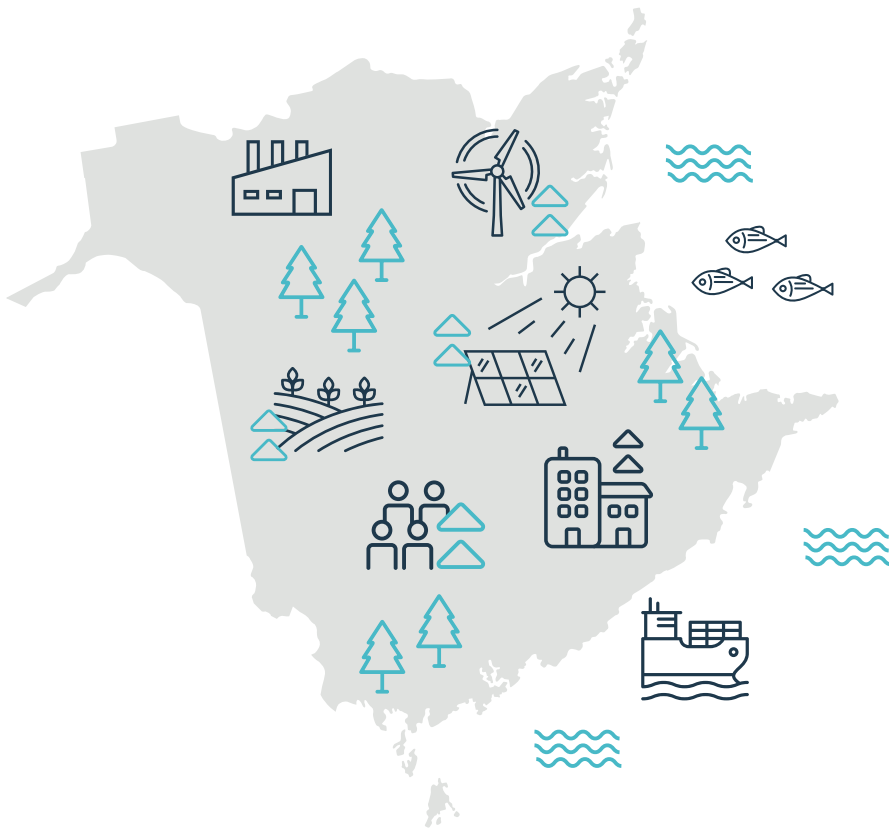
On June 1, 2021, subsequent to year end, ONB received a principal and accrued interest payout of \$14,277,002 on one of its Repayable Loans. It is estimated that this will impact ONB's loans receivable by \$14,265,277 and impact revenue by \$690,000 in the subsequent period.

As of April 1, 2021, the responsibility for immigration programs transferred from Post-Secondary Education, Training and Labour to ONB. The financial impact of this event is currently being assessed.



# Accelerate

ONB understands that seeing our economy recover from this challenging year is important to all New Brunswickers. We are working hard to accelerate that recovery and as this report demonstrates, we are seeing results. New Brunswick is witnessing positive economic trends and successes that will position us for further economic growth. Innovative thinking and strong collaboration have never been more important. ONB continues to work with our local, provincial, and federal partners to support New Brunswick's business community and navigate the province towards economic recovery and beyond. For resources, recovery best practices, success stories, contact information, and updates on all things New Brunswick business, visit [onbcanada.ca](http://onbcanada.ca).



## Let's Connect

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