



Annual Report

2021-2022

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Accountability Statement

The Accountability Report of Nova Scotia Business Inc. for the year ended March 31, 2022, is prepared pursuant to the Finance Act and government policies and guidelines. These authorities require the reporting of outcomes against Nova Scotia Business Inc.'s Business Plan for the fiscal year just ended. The reporting of Nova Scotia Business Inc.'s outcomes necessarily includes estimates, judgements, and opinions by Nova Scotia Business Inc.'s management. We acknowledge that this Accountability Report is the responsibility of Nova Scotia Business Inc.'s management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in Nova Scotia Business Inc.'s 2021-2022 Business Plan.

Original signed by:

Board Chair Marie Mullally

President & CEO Laurel Broten



Message from the Board Chair and President & CEO

After more than two years of navigating the challenges and impacts of COVID-19, borders are open, people are travelling, and companies are back to business and embracing the future head-on.

When NSBI set our 2021-2022 performance measures, vaccinations had yet to be rolled out, and our province, like the rest of Canada, was proceeding with caution.

At that time, we set growth targets that would keep us focused on helping businesses rebuild, recover, and be ready to prosper again. Since then, businesses have persevered, built back, and are seeing substantial economic growth.

NSBI has been right there with them on this journey.

NSBI's 2021-2022 results tell our clients' stories of growth trajectories that go beyond the base targets.

Growth in payroll reflects the success of Nova Scotia and Nova Scotia companies to not only survive but thrive beyond the pandemic, expanding operations as well as our province's labour force and economy.

Programs like our Export Development Program and Digital Adoption Program helped businesses get back on their feet and stand even taller than they had before. In fact, last year with our help, Nova Scotia businesses launched new products, embraced e-commerce, and continued to invest in innovation and modern technologies readying themselves for the future.

Exports outside Nova Scotia have climbed beyond the target goal, along with an increase in new exporters, as well as greater market diversification — proving that Nova Scotians are more than ready to leverage global opportunities both near and far.

Forever changed by COVID-19 is the global shift to remote and hybrid working, models that present a significant opportunity for our province as Nova Scotia offers a compelling case as the right solution for global enterprises seeking to establish new operational footholds. In 2021-2022, our team found success showcasing both the quality of life and the talent that exists within our borders, and also attracted people and knowledge-based businesses to Nova Scotia from around the globe and across the country.

During 2021-2022, our province broke a population milestone, surpassing 1,000,000 people. Since then, the province's growth continues to accelerate. Population growth remains a strategic focus of Nova Scotia's government, and NSBI is proud to be aligned to work with our partners and businesses across the province to deliver on that vision.

Certainly a highlight of the year was working with one of the world's leading IT professional services companies,

Cognizant Technology Solutions Corporation (Cognizant). Cognizant is a transformative client for our province: it is projected to spend an estimated \$327 million in combined salaries and benefits, the highest amount through payroll rebate agreements with one company in more than a decade, with the potential to create up to 1250 full-time positions over the next seven years.

Another highlight of 2021-2022 was the province embracing our Innovation Rebate Program (IRP) and making it a permanent ongoing program, which now brings greater focus on sustainability and the reduction of environmental impact. With this evolution, the IRP will no doubt help drive Nova Scotia's economy by supporting modernization and innovation in both small and large manufacturing businesses, and value-added processing for traditional industries such as forestry, seafood, and agri-food among others.

The investments committed to by our clients will help drive cleaner and more sustainable approaches to growth across Nova Scotia. They do this by implementing new, improved, and more sustainable production processes; reducing waste; improving energy efficiency; increasing resilience to climate change; and strengthening supply chains to enable production in our own backyard. These actions will secure a strong footing for businesses and Nova Scotia overall.

The stage is set for us to reach great heights, and we will continue to support our client companies — helping to drive Nova Scotia's economy. Like our clients, we have proven to be strong and nimble. The entire NSBI team has demonstrated that we are creative and innovative in the face of challenges and opportunities alike. The speed at which we pivoted has mattered.

Businesses tell us that our responsiveness has also meant they haven't felt alone because we have been in their corner helping them to navigate change and growth.

As we look ahead, NSBI will continue to connect, listen, understand, and respond in real-time to help solve current and future challenges in order to make good things happen for all Nova Scotians.



Marie Mullally

Marie Mullally
BOARD CHAIR

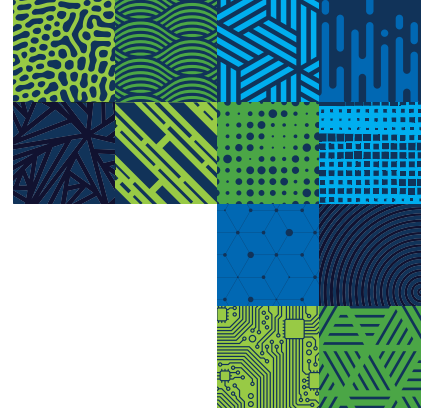


Laurel Broten

Laurel Broten
PRESIDENT & CEO



Board of Directors



Marie Mullally, Board Chair

APPOINTED DIRECTOR, DECEMBER 2014

Human Resources Governance Committee

- CUA, President & CEO
- Nova Leap Health Corp, Director
- Nova Scotia Gaming Corporation, Former President & CEO
- Halifax International Airport Authority, Former Chair

Tom Hickey, Board Vice-Chair

APPOINTED DIRECTOR, DECEMBER 2015

Investment Attraction Committee

- T. Hickey Enterprises, President & CEO
- Atlantic Road Construction, CEO
- Atl-Refac Ltd., Board Chair
- Frontline Asphalt Ltd., CEO
- Nova Paving Ltd., Board Chair

Brenda Belliveau, CPA, CA

APPOINTED DIRECTOR, SEPTEMBER 2016

Audit Committee, Chair

- PwC Canada, National Tax Services Leader
- Mount Saint Vincent University, Former Board of Governors

Rhiannon Davies

APPOINTED DIRECTOR, OCTOBER 2020

Human Resources Governance Committee

- Sandpiper Ventures, Founding and Managing Partner
- Volta Labs, Board of Directors
- Coloursmith Labs, Board Chair
- Emera IdeaHub, Advisory Board
- GrandVision N.V., Former Chief Operating Officer

Wadih Fares

APPOINTED DIRECTOR, OCTOBER 2020

Investment Attraction Committee

- W.M. Fares Group, President & CEO
- Honorary Consul of Lebanon for the Maritime Provinces
- Canadian Lebanese Chamber of Commerce, Founder and Honorary Member
- Pier 21 Society, Former Chairman
- Dalhousie University, Former Board of Governors

David Graham

APPOINTED DIRECTOR, FEBRUARY 2020

Human Resources Governance Committee, Chair

- Atlantic Developments Inc., President
- Crombie REIT, Former Trustee
- Urban Development Institute of Nova Scotia, Board Member
- The Coady International Institute Capital Campaign Leadership Team, Former Member
- The MacPhee Centre for Creative Learning, Co-Founder, Advisory Board Member and Former Board Chair

Jeff MacLean

APPOINTED DIRECTOR, JANUARY 2020

Investment Attraction Committee, Chair

- The Shaw Group, Senior VP, Manufacturing Division
- Michelin North America (Canada) Inc., Former President
- Canadian Concrete Masonry Producers Association, Board Member
- Special Olympics of Nova Scotia, Former Board Member
- Run Against Racism – Former Board Member

Danielle Patterson

APPOINTED DIRECTOR, OCTOBER 2020

Audit Committee

- Anchored Ideas Ltd, Partner
- Devantec IT & Security, Partner
- Cape Breton Transition House Foundation, Former Board Member

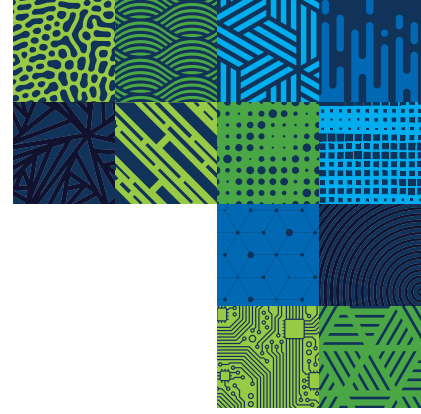
Shaq Smith

APPOINTED DIRECTOR, JUNE 2020

Audit Committee

- Foundation Marketing, Talent and Recruitment Lead
- The Futures Program, Founder
- Nova Scotia Education and Early Childhood Development, Panel Member
- Business is Jammin', Former Board Member

Committees & Officers



Audit Committee:

Brenda Belliveau, Chair
Danielle Patterson
Shaq Smith

The Audit Committee oversees NSBI's financial reporting, assesses its internal controls and risk environment, and reviews the audit report prepared by the corporation's external auditor.

Human Resources Governance Committee:

David Graham, Chair
Rhiannon Davies
Marie Mullally

The Human Resources Governance Committee ensures that the necessary policies are in place for the effective management of NSBI's human resources, provides oversight in relation to NSBI's employee compensation framework, including executive compensation, and develops and monitors the Board's approach to corporate governance.

Investment Attraction Committee:

Jeff MacLean, Chair
Wadih Fares
Tom Hickey

The Investment Attraction Committee provides stewardship and oversight of NSBI's business development incentive framework, activities, and guidelines. The committee provides oversight and guidance to management in the development and implementation of strategic initiatives, new tools, and incentives to drive business development activity, foster economic growth and increase prosperity in the province.



NSBI by the Numbers

37.4%

of clients
diversified to at
least one additional
export market

\$189.7 M

payroll committed to
employment income
through **payroll rebate**
transactions

NSBI clients
increased payroll
by

17.6%

\$985,000

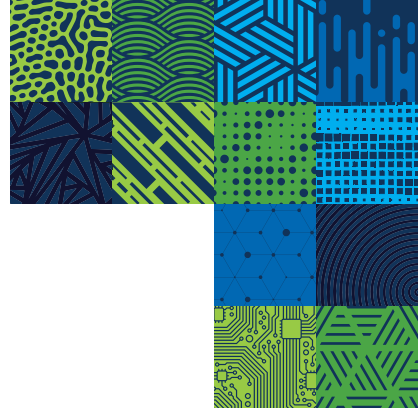
approved for **55 R&D**
projects through the
Productivity &
Innovation Voucher
Program

52

connections between
Nova Scotia employers and
organizations focused on
attaching **underrepresented**
groups to the workforce

29

new exporters!
14 within high-potential
clusters (ICT, Oceans,
Seafood & Agri-food)



49

custom digital marketing videos produced through the **Digital Marketing Asset Development Program** to help businesses elevate their international sales efforts and succeed in the new, increasingly competitive, digital sales reality

16.3%

in **actual export sales** by clients in high-potential clusters (ICT, Oceans, Seafood & Agri-food)

16.4%

increase in actual export sales of NSBI clients.

457

EDP applications approved for **\$4.9 M**

3x

the amount of training supports from pre-pandemic levels and added coaching components to help companies

Over
1000

connections made to businesses for professional advice, to adopt technology, adapt to, and recover from the impacts of COVID-19, or grow through exports

Program Funding

Export Development Program (EDP)

Stream 1: Travel and Trade Missions

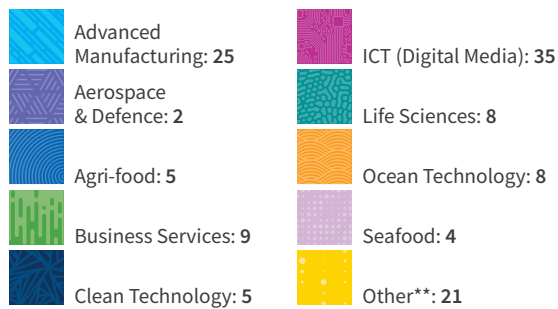
122* APPROVED APPLICATIONS

Total Approved Application Funding

\$675,117.14



SECTORS



* This is the number of approved applications for Stream 1. NSBI disbursed funds of \$335,568.76 on 86 EDP Stream 1 applications in 2021-2022. Note: 2 projects totaling \$21,505.57 were approved in Fiscal 2020-2021; but, disbursed in Fiscal 2021-2022.

** Other sectors include Clothing & Textiles; Energy; Engineering & Professional; Film Production; Finance & Insurance; Goods & Services; Transportation & Logistics; and Transportation Equipment.

Export Development Program (EDP)

Stream 2: Hire a Consultant or Service Provider

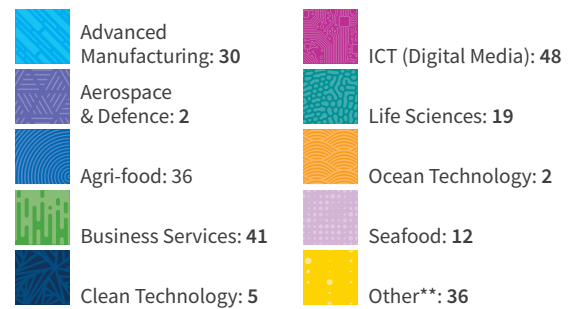
231* APPROVED APPLICATIONS

Total Approved Application Funding

\$3,054,940.99

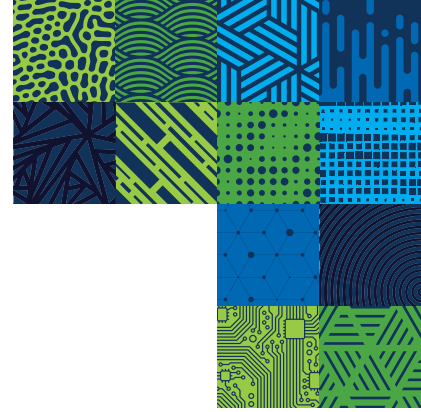


SECTORS



* This is the number of approved applications for Stream 2. NSBI disbursed funds of \$2,279,495.50 on 199 EDP Stream 2 applications in 2021-2022.

** Other sectors include Chemicals & Plastics; Clothing & Textiles; Creative Industries; Energy; Engineering & Professional; Film Production; Finance & Insurance; Goods & Services; Transportation & Logistics; and Transportation Equipment.



Export Development Program (EDP)

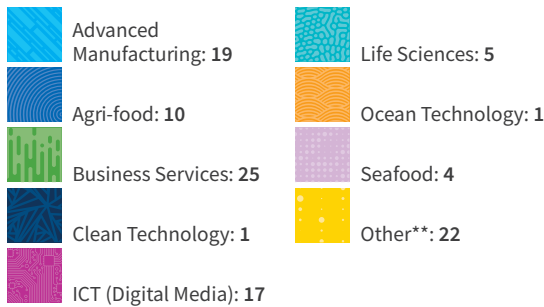
Stream 3: Digital Adoption

104* APPROVED APPLICATIONS

Total Approved Application Funding
\$1,207,357.45



SECTORS



* This is the number of approved applications for Stream 3. NSBI disbursed funds of \$896,721.47 on 89 EDP Stream 3 applications in 2021-2022. Note: 8 projects totaling \$49,496.54 were approved in Fiscal 2020-2021; but, disbursed in Fiscal 2021-2022.

** Other sectors include Clothing & Textiles; Creative Industries; Energy; Engineering & Professional; Finance & Insurance; Goods & Services; and Transportation Equipment.

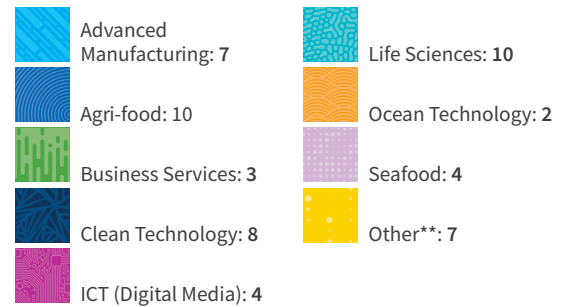
Productivity and Innovation Voucher Program (PIVP)

55* APPROVED APPLICATIONS

Total Approved Application Funding
\$985,000.00

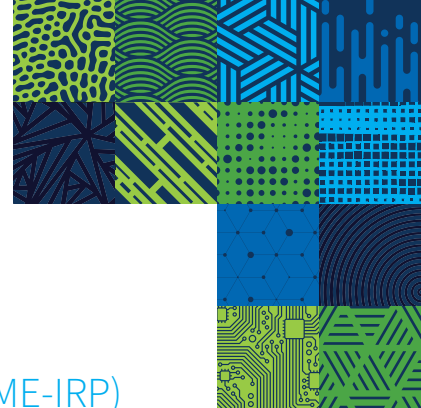


SECTORS



* This is the number of approved applications. NSBI disbursed funds of \$906,284.38 on 53 PIVP applications in 2021-2022.

** Other sectors include Chemicals & Plastics; Clothing & Textiles; Energy; Forest Products; Goods & Services; and Transportation & Logistics.



Small Medium Enterprise Innovation Rebate Program (SME-IRP)

Approved & Announced Funding Commitments for 2021-2022

Company Name	Sector	County	Approved Amount
Tony's Meats Ltd.	Agri-food	Antigonish	\$100,337.63

Total Amount of Approved Funding: \$100,337.63

Digital Marketing Asset Management Program (DMADP)

Sectors of Focus for 2021-2022: Agri-food, Clean Technology, and Seafood

Company Name	Sector	County
2 Crows Brewing Ltd.	Agri-food	Halifax
Bulwark Craft Ciders	Agri-food	Lunenburg
Annapolis Cider Company	Agri-food	Kings
Authentic Seacoast Co. Ltd.	Agri-food	Guysborough
Benjamin Bridge	Agri-food	Kings
Blue Harbour Cheese Inc.	Agri-food	Halifax
Clever Fruit Products Ltd.	Agri-food	Halifax
Cove Kombucha Inc.	Agri-food	Halifax
Galloping Cows Fine Foods	Agri-food	Inverness
Good Robot Brewing Co.	Agri-food	Halifax
JusNova Agriculture Ltd.	Agri-food	Halifax
Lightfoot & Wolfville Vineyards	Agri-food	Kings
Made with Local Snack Foods Inc.	Agri-food	Halifax
Nine Locks Brewing Company	Agri-food	Halifax
Novagevity Incorporated	Agri-food	Halifax
Mahone Bay Brewing Company	Agri-food	Lunenburg
Schoolhouse Gluten-Free Gourmet Inc.	Agri-food	Lunenburg
Scotian Gold Cooperative	Agri-food	Kings
Shivani's Kitchen Ltd.	Agri-food	Halifax
Totally Raw Natural Raw Dog Food Inc.	Agri-food	Halifax
Aqua Production Systems	Seafood	Pictou
Ashored	Seafood	Halifax
Atlantic Sea Cucumber	Seafood	Halifax
Beche Nutraceutical Co.	Seafood	Yarmouth
Bill & Stanley Oyster Co.	Seafood	Guysborough
Cedar Bay Grilling Co.	Seafood	Lunenburg
Fisher King Seafoods	Seafood	Halifax
Fishermen's Premium Atlantic Lobster	Seafood	Halifax

Digital Marketing Asset Management Program (DMADP) cont.

Sectors of Focus for 2021-2022: Agri-food, Clean Technology, and Seafood

Company Name	Sector	County
IMO Foods	Seafood	Yarmouth
Louisbourg Seafoods	Seafood	Cape Breton
Eastbound Seafood	Seafood	Halifax
SeaChange Biochemistry	Seafood	Halifax
Victoria Co-operative Fisheries	Seafood	Victoria
World Link Food Distributors	Seafood	Halifax
Xsealent Seafood	Seafood	Shelburne
Yarmouth Bar Fisheries	Seafood	Yarmouth
Airesun Global Ltd.	Clean Technology	Cape Breton
Aurea Technologies Inc.	Clean Technology	Halifax
Bend Beauty Inc.	Clean Technology	Halifax
Eosense Inc.	Clean Technology	Halifax
LED Roadway Lighting Ltd. (Liveable Cities)	Clean Technology	Halifax
Metamaterial Technologies Inc.	Clean Technology	Halifax
Novonix Battery Technology Solution Inc.	Clean Technology	Halifax
Oberland Agriscience Inc.	Clean Technology	Halifax
Outcast Foods	Clean Technology	Halifax
Pure Paint Laboratories	Clean Technology	Hants
ReelData Inc.	Clean Technology	Halifax
Smallfood Inc.	Clean Technology	Halifax
Zen Electric Bikes Inc.	Clean Technology	Halifax

Total Number of Approved Applications: 49

Total Amount of Approved Funding: \$251,313.00

Investment Attraction & Project Management Activity



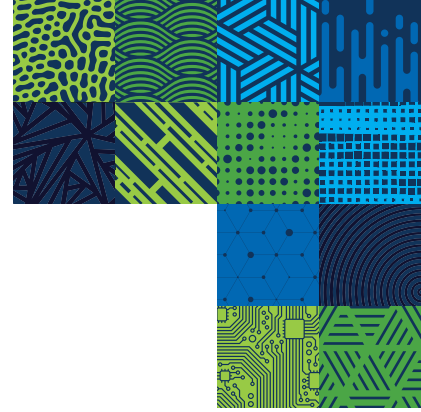
Strategic Investment Fund Transactions

The following business development incentives in the form of payroll rebates were announced during the fiscal year of 2021-2022. Payroll rebates are disbursed through the Strategic Investment Fund.

Strategic Investment Fund Transactions for 2021-2022

Company Name	Sector	Region	Amount
10380008 Canada Inc. (operating as MobSquad)	ICT (Digital Media)	Halifax	\$1,060,200
1924345 Ontario Inc. (doing business as FreshBooks)	ICT (Digital Media)	Halifax	\$888,000
Arcturus Studios Inc.	ICT (Digital Media)	Halifax	\$1,372,000
BDO Canada LLP – Lixar Fuelled by BDO	Business Services	Halifax	\$645,400
Bomgar Canada Limited (operating as BeyondTrust)	ICT (Digital Media)	Halifax	\$3,630,000
Butterfield Support Services (Halifax) Limited	Finance & Insurance	Halifax	\$1,138,800
CGI Information Systems and Management Consultants Inc.	ICT (Digital Media)	Halifax	\$4,556,250
Cloudlogic Technologies Pvt Ltd.	ICT (Digital Media)	Halifax	\$574,860
Cognizant Technology Solutions Corporation	ICT (Digital Media)	Halifax	\$24,979,500
Cognizant Technology Solutions Corporation	ICT (Digital Media)	Halifax	\$2,031,315
CPQi Canada Limited	Finance & Insurance	Halifax	\$1,911,000
DAMO Technology Corporation, Ltd.	Advanced Manufacturing	Halifax	\$4,985,000
EUI Limited doing business as Admiral Insurance Services	Finance & Insurance	Cape Breton	\$2,400,000
IBM Canada Limited/IBM Canada Limitée	ICT (Digital Media)	Halifax	\$9,397,440
Marsh Canada Limited / Marsh Canada Limitée	Finance & Insurance	Halifax	\$1,108,800
NOVONIX Battery Testing Services Inc.	Clean Technology	Halifax	\$1,281,819
Ocean Choice International Halifax Inc.	Agri-food	Halifax	\$1,412,200
Payment Rails Inc.	ICT (Digital Media)	Halifax	\$449,800
Virtusa Corporation	ICT (Digital Media)	Halifax	\$2,457,000

Total Amount of Approved Funding: \$66,279,384



Project Management Activity

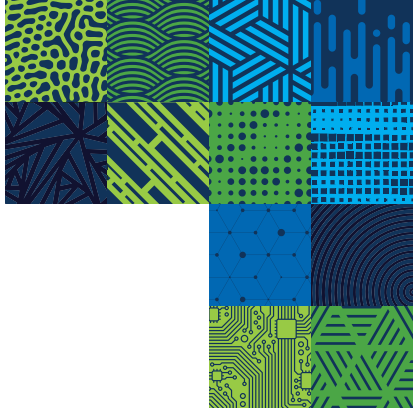
Project Management Activity is defined as an activity where NSBI played a significant role in attracting the company’s growth in Nova Scotia without providing an economic incentive.

Company Name	Sector	Region
Royal Bank of Canada - Application Engineers & Data Scientists	Financial Services	Halifax
Arduro Sustainable Rubber Inc.	Clean Technology	Halifax
Ayruz Data Marketing Inc.	ICT (Digital Media)	Halifax
National Association of Software & Service Companies	ICT (Digital Media)	Halifax and Cape Breton
Paraza Pharma, Inc. & Paraza Technologies Inc.	Medical Technology	Halifax
Zen Electric Bikes Inc.	Clean Technology	Halifax
Global Empire Corporation	Business Process Outsourcing	Queens County
3343114 Nova Scotia Limited doing business as Symphony	ICT (Digital Media)	Province-Wide (WFH)*

* Work from Home



Eastlink TV Independent Production Fund Activity



Approved Funding Commitments

Legal Name of Production Company	Parent Company	Film Production	Type of Production	Funding Amount Committed
King & Pawn S1 Productions Ltd.	n/a	King & Pawn	Digital-first Comedy Series	\$20,000

Total Amount of Approved Funding: \$20,000



Industrial Properties

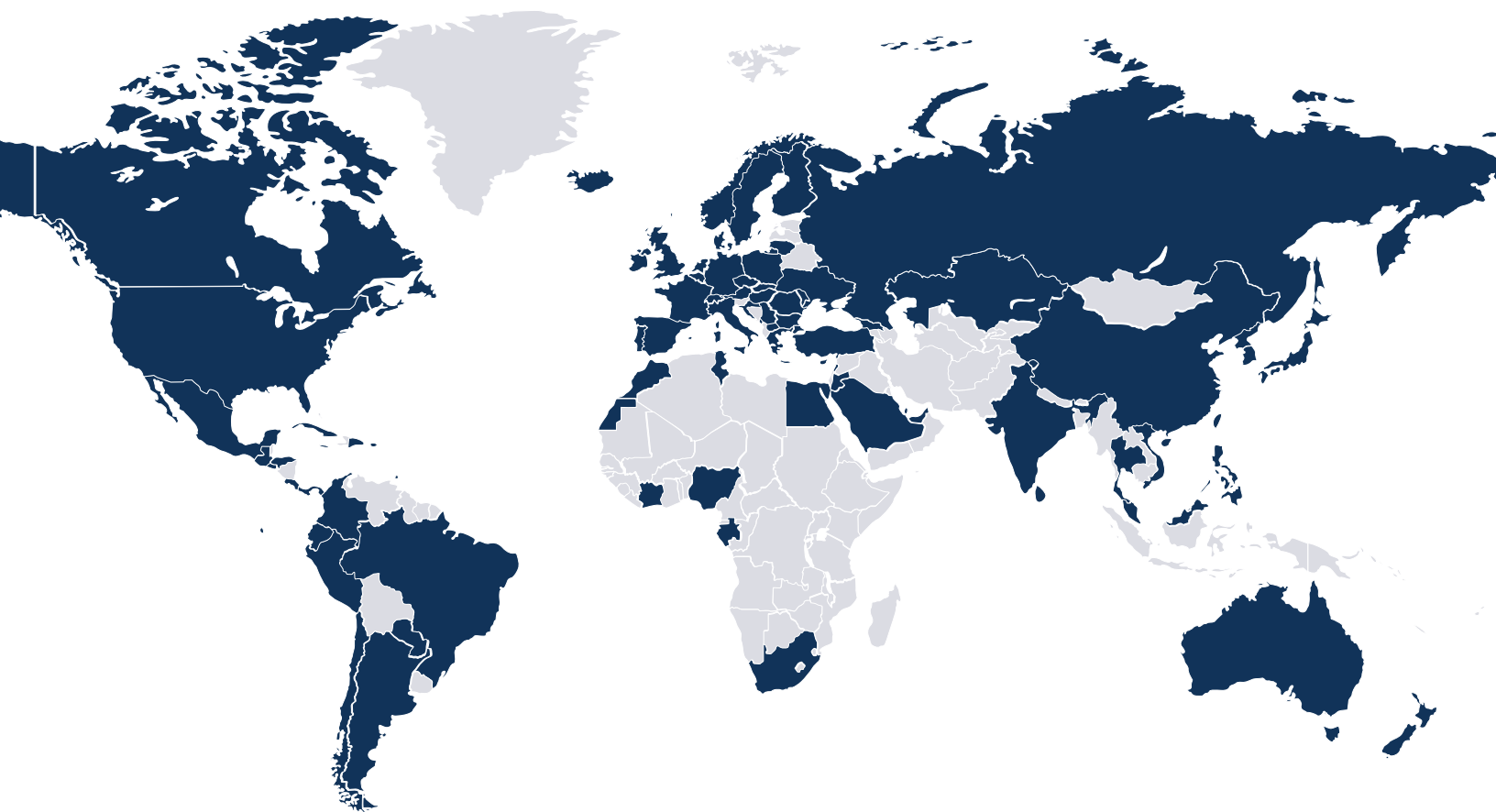
Highlights of Industrial Properties activities for 2021-2022 include the execution of a 10-year agreement for the management and operation of the Port of Sheet Harbour (POSH) with QSL International Ltd. QSL is an experienced supply chain player and operates in over 63 terminals in North America. Additionally, NSBI is proceeding with the acquisition of 110 acres of adjacent land to support future growth, based on future business case evaluations. The additional land will enhance POSH's ability to grow, diversify, and build a sustainable future.



NSBI Across the Globe

Where our clients targeted business

The regions shaded in dark blue represent target markets where NSBI connected and supported clients to explore, diversify, and engage in business development initiatives.



List of shaded countries

Argentina	Colombia	Georgia	Japan	Panama	South Africa
Australia	Costa Rica	Germany	Jordan	Paraguay	Spain
Austria	Cote d'Ivoire	Greece	Kazakhstan	Peru	Sri Lanka
Barbados	Croatia	Guatemala	Korea, Republic of	Philippines	Sweden
Belgium	Cuba	Guernsey	Lebanon	Poland	Switzerland
Benin	Cyprus	Honduras	Lithuania	Portugal	Taiwan
Bermuda	Czech Republic	Hong Kong	Malaysia	Puerto Rico	Thailand
Bolivia	Denmark	Hungary	Malta	Qatar	Togo
Brazil	Dominican Republic	Iceland	Mexico	Romania	Tunisia
Bulgaria	Ecuador	India	Moldova	Russian Federation	Turkey
Canada	Egypt	Iran	Morocco	Saint Kitts and Nevis	Ukraine
Cayman Islands	El Salvador	Ireland	Netherlands	Saudi Arabia	United Arab Emirates
Chile	Finland	Israel	New Zealand	Serbia	United Kingdom
China	France	Italy	Nigeria	Singapore	United States
Chinese Taipei	Gabon	Jamaica	Norway	Slovakia	Vietnam

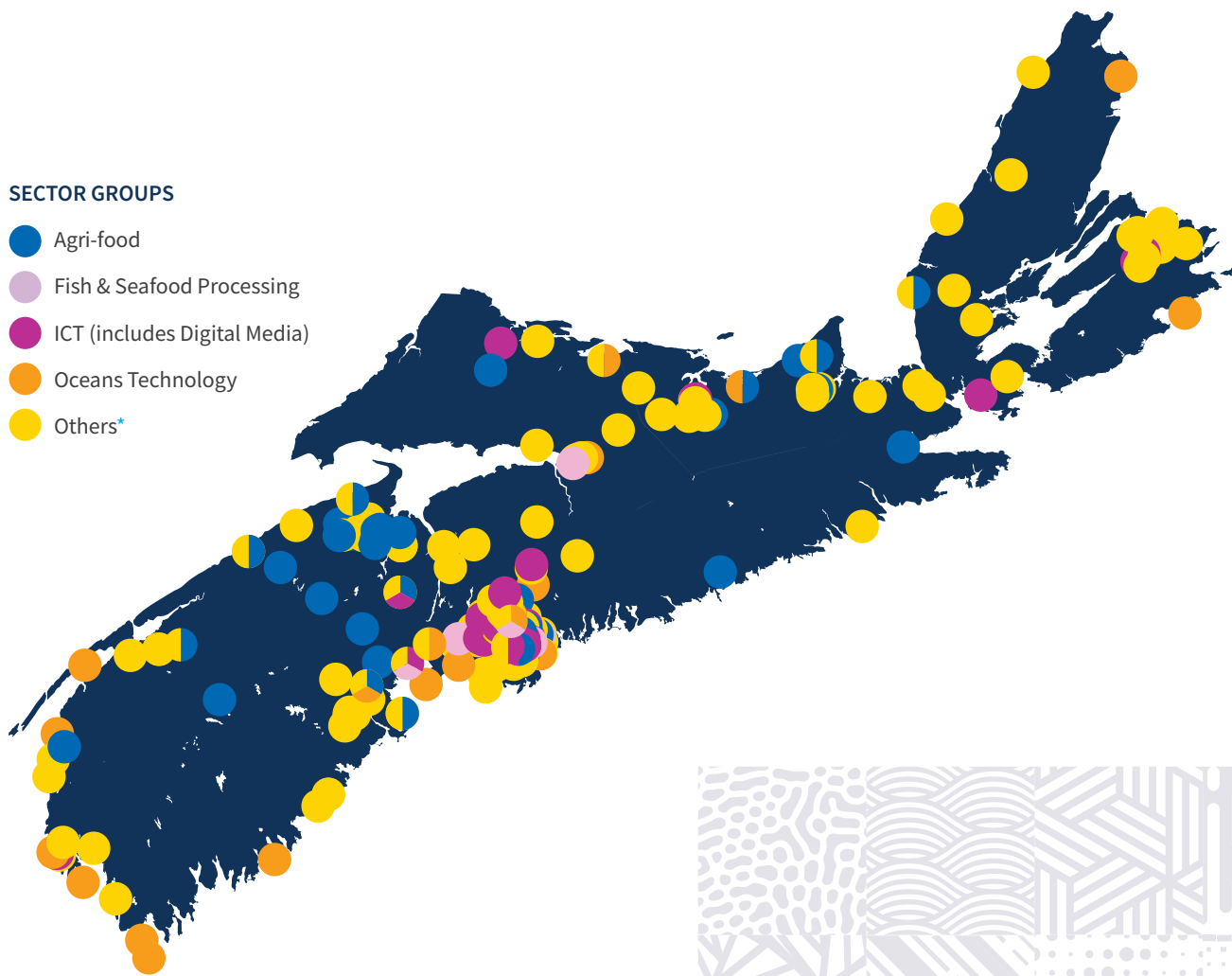
NSBI Across the Province

Where clients accessed our programs and services

Location of NSBI clients, by sector, accessing our programs and services.

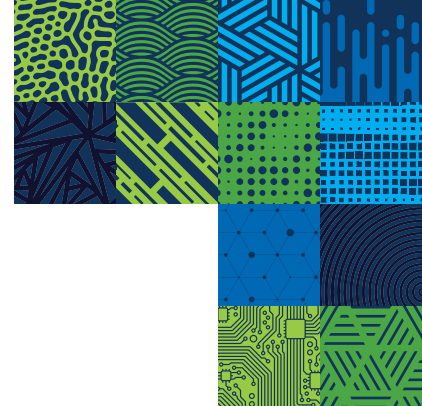
SECTOR GROUPS

- Agri-food
- Fish & Seafood Processing
- ICT (includes Digital Media)
- Oceans Technology
- Others*



* Others includes: Advanced Manufacturing, Aerospace & Defence, Business Services, Chemicals & Plastics, Clean Technology, Clothing & Textiles, Creative Industries, Energy, Engineering & Professional Services, Finance & Insurance, Forest Products, Life Sciences, Transportation & Logistics, Transportation Equipment Manufacturing, and Travel & Accommodation

Corporate Results 2021-2022



Measures	2021-2022 Targets	2021-2022 Results
<p>Grow the value of Nova Scotia's exports</p>	<p>Building from a reduced export performance in 2020-2021, we continue recovery and achieve a minimum of a 10% increase in export sales among NSBI's clients, and by clients within the high-potential clusters of ICT, Oceans, and Seafood & Agri-food.</p>	<p>Target (10%) exceeded. Annual export sales of active NSBI clients increased by 16.4%.</p> <p>Target (10%) exceeded. Annual export sales by NSBI clients within high-potential clusters increased by 16.3%.</p>
<p>Create Nova Scotia's next exporters</p>	<p>A minimum of 25 NSBI clients become new exporters, with a minimum of 10 clients within the high-potential clusters of ICT, Oceans, and Seafood & Agri-food becoming new exporters</p>	<p>Target (25) exceeded. 29 NSBI clients became new exporters.</p> <p>Target (10) exceeded. 14 NSBI clients from within the high-potential clusters becoming new exporters.</p>
<p>Diversify into new export markets</p>	<p>A minimum of 10% of NSBI clients diversify exports through sales to an additional market</p>	<p>Target (10%) exceeded. 37.4% of clients exported to an additional market in Fiscal 2021-2022.</p>
<p>Build a knowledge-based export economy</p>	<p>Attract 5 knowledge-based exporters aligned with Nova Scotia's comparative advantages.</p>	<p>Target (5) exceeded. NSBI attracted 26 knowledge-based exporters.</p> <ul style="list-style-type: none"> • 19 payroll rebate transactions • 7 project management
<p>Grow payroll across the province</p>	<p>NSBI clients increase their payroll by a minimum of 10%.</p>	<p>Target (10%) exceeded. NSBI clients increased payroll by 17.6% overall, and by 21.4% within the high-potential clusters.</p>
<p>Promote Inclusion in Nova Scotia's workforce</p>	<p>Make a minimum of 50 connections between Nova Scotia employers and organizations across the province focused on the attachment of underrepresented groups to the workforce.</p>	<p>Target (50) exceeded. NSBI made 52 connections between Nova Scotia employers and organizations focused on attaching underrepresented groups to the workforce.</p>



Corporate Results Discussion & Analysis

“Sustainable and inclusive economic growth in a post-pandemic world: Supporting our clients across the province to invest, innovate and drive sustainable growth that creates opportunities for all those who call Nova Scotia home.”

As a lead business development agency for the Province of Nova Scotia, NSBI stands behind the province’s mandate to increase our population and attract and grow sustainable and innovative companies in all regions of our province. In 2021-2022, NSBI enhanced and targeted our programs and services to support our clients’ unique needs as they charted their pathway to growth through the recovery phase of the COVID-19 pandemic. We focused on providing our companies with the insights they needed to evaluate new export markets for their goods and services, assisting them in building the digital marketing assets they needed to promote their businesses in a virtual business environment, and helping them make the connections and investments needed to build scale, innovate, create jobs, and grow.

At NSBI, we measure our success through the results achieved by our private-sector clients across the province. The companies with which we work provide us with real data from key areas of their business that are central to our work, including export revenues and markets, employment, and payroll. We are extremely proud of the strong results achieved by our clients in 2021-2022 and remain committed to constantly evaluating and improving our efforts to ensure

businesses have access to the programs, services, and resources they need to achieve international success from Nova Scotia. As a result of the hard work, resilience, and tenacity of our clients, NSBI exceeded all our goals for 2021-2022.

Working with Businesses across the Province to Grow Through Export

As the COVID-19 pandemic continued to cause travel restrictions and turmoil in international markets, 2021-2022 was a challenging year for businesses to sell their products and services outside our province.

NSBI streamlined our export programming to enable our clients to easily access the help they needed to overcome barriers, scale, and grow their sales outside Nova Scotia. A digital adoption stream was added to our Export Development Program to ensure businesses had ongoing assistance to adopt the technology they needed to implement and improve e-commerce solutions and compete in a digital business reality.



E-commerce provided many of our clients with the opportunity to sell their products and services outside our borders for the first time, and 29 of the businesses with which we worked became new exporters in 2021-2022 (exceeding our goal of 25). Our clients within the high-potential clusters of ICT, Oceans, and Seafood & Agri-food also achieved success in selling outside Nova Scotia for the first time, with 14 becoming new exporters last year (exceeding our goal of 10).

Working with businesses to grow sales and expand into new markets is central to NSBI's business development mandate and continued to be a key focus as we helped our clients navigate the challenges brought about by a world that was recovering and emerging from a global pandemic.

We focused on ensuring our clients had access to the advice they needed to overcome obstacles and scale through our Export Development Program, and that they were equipped to evaluate new markets through our Trade Market Intelligence Service. Our partnership to deliver the Europe and Asia Market Development Programs and Scale-Up Hub Atlanta initiative helped companies access in-market business development services in a time when international travel was limited.

In 2021-2022, when global economies were struggling to recover and rebound, NSBI's clients achieved a 16.4% increase in their annual export sales outside Nova Scotia (exceeding our target of 10% growth), and companies that we worked with within the ICT, Oceans, Seafood & Agri-food sectors reported similar results (16.3% growth in export sales, exceeding the target of 10%).

The COVID-19 pandemic has reinforced the importance of market diversification as supply chain and logistics issues slowed global trade and shifted the buying patterns of consumer and businesses. Our work with clients to continuously evaluate new regions for growth resulted in 37.4% selling their products or services to a new market in 2021-2022 (exceeding the goal of 10%). We will continue our focus on building relationships in key markets and connecting our clients with the insights and in-market advice they need to make informed business growth decisions as they build resiliency through export market diversification.

Delivering on Nova Scotia's Economic, Population Growth and Inclusivity Agenda

The Province of Nova Scotia has an aggressive growth agenda to double Nova Scotia's population to two million people by 2060 and NSBI's business development efforts to grow businesses and create new jobs in all regions of the province are key to growing our population and building a diverse and inclusive workforce.

NSBI proactively identifies and targets global companies aligned with Nova Scotia's comparative advantages that would benefit from a location in our province. Our efforts focus on project-managing companies through their location selection decision, and a key supporting incentive is our Payroll Rebate Program.

Global foreign direct investment (FDI) around the world was negatively impacted by the COVID-19 pandemic, and we entered 2021-2022 cautiously optimistic as FDI started to show signs of rebounding. In line with global trends, NSBI attracted 26 knowledge-based exporters to open a business location in our province (exceeding our goal of 5 knowledge-based exporters) in 2021-2022, with 19 of these companies receiving a payroll rebate. These new companies play a key role in building our workforce, as do businesses already operating across our province. We work with existing and new companies to grow and hire current Nova Scotians and to attract new employees to come live and work in our province. In 2021-2022, our clients reported a 17.6% increase in their payroll (exceeding the 10% growth target) and companies within the high-potential clusters reported higher payroll growth of 21.4%.

NSBI stands behind our government's commitment to ensure that our work and that of our clients is inclusive and respectful of all demographics, cultures, and ethnicities as we work with businesses to grow and create the workforce of tomorrow.

A key focus over the past year has been to continue building our relationships with organizations across the province focused on attaching underrepresented groups to the workforce, and to make meaningful connections between these organizations and private-sector companies that lead to concrete job opportunities for diverse populations.



Matthias Bierenstiel, Co-Founder of Maskwiomin — a traditional Mi'kmaq skincare line — and Laurel Broten, President & CEO of NSBI (Sydney, Cape Breton).

In 2021-2022, NSBI conducted 132 discussions with our clients centred on inclusion, diversity, equity, and accessibility and made 52 connections between Nova Scotia employers and organizations that work to attach underrepresented groups to the workforce (exceeding our goal of 50 connections). We embrace the role we play in building our province's skilled, diverse workforce and look forward to continuing to expand our relationships and conversations with employment organizations and employers to maximize job opportunities for all.

Sustainable Economic Growth Through R&D and Innovation

It will be critical for Nova Scotia businesses to engage in R&D, drive productivity, make innovative investments, and focus on sustainability to ensure success both here at home and in markets outside our borders. NSBI's efforts, programs, and services ensure companies across the province have access to the expertise and resources they need to conduct R&D and make capital investments to improve efficiency and scale-up production.

Our Productivity and Innovation Voucher Program facilitated 55 connections between private-sector companies and R&D experts within Nova Scotia's post-secondary

education institutions, with a particular focus on the Advanced Manufacturing, Agri-food, Clean Technology and Life Sciences sectors. NSBI's partnership with the MITACS Accelerate Program further supported Nova Scotia companies by reducing the cost for 7 businesses to access 25 collaborative R&D teams from post-secondary institutes to complete a research project aimed at solving a unique business challenge.

NSBI's Innovation Rebate Program (IRP) supports companies to innovate, improve productivity, increase production capacity, and adopt cleaner and more sustainable approaches to growth across Nova Scotia. In Fiscal 2021-22, the IRP drove actual expenditures in private-sector capital investment of \$42.5 million. As a result of consultations with business across the province, NSBI launched our Small Medium Enterprise Innovation Rebate Program (SME-IRP) in 2020-21 to support investment projects valued between \$375,000 and \$2,000,000. This two-year pilot program supported 11 SME-IRP projects between 2020 and 2022, with a total rebate of \$3.8 million (expected to drive actual expenditures in private-sector capital investments of \$16.8 million).

INSIDE NSBI

Inside Export Development

In 2021-2022, Nova Scotia exporters continued to work against the barriers of the pandemic: travel restrictions, lockdowns, supply chain disruptions, and cancelled in-person opportunities to connect and showcase Nova Scotia products to the rest of Canada and the world — yet they thrived.

NSBI is the first point of contact for businesses in all regions with the proven ability to navigate, pivot our programming and connect companies with the programs, services, and resources they need to grow. Our regional team is completely integrated with NSBI's export and investment attraction teams so that we can uncover opportunities in all regions and support companies at every stage of their growth cycle.

Our client-facing teams are in constant contact with businesses — this connectivity to our clients is our secret sauce. The team provides business advisory services to help businesses identify and access programs from federal and provincial partners to make sure they can access all the support available to them without having to spend days looking through websites on their own.

In addition to helping businesses sell internationally, NSBI's export programming supports companies as they look to sell their products/services to other provinces. For some first-time exporters, selling next door is less intimidating than selling outside Canada, and NSBI looks to support every step of a client's export journey.

Our sector specialists and our focus supports business development in key sectors across the province, including services export sectors — ICT, Financial Services, Oceans, Seafood, Agri-food, Clean Technology and Life Sciences.

In the face of challenges brought forth by the pandemic, NSBI mobilized to support clients with virtual workshops and virtual trade shows and missions within two weeks of border closures. NSBI tripled training supports from pre-pandemic levels and added coaching components to help companies.

NSBI kept Nova Scotia 'open' with virtual reality assets so people could 'experience' whether the province was a fit for their business, and the Europe Market Development Program and the Scale-Up Hubs in Cambridge and Atlanta kept businesses deeply connected in markets.

In 2021-2022, digital resources like the Digital Market Asset Development Program (DMADP) continued to play an influential role for many Nova Scotia companies looking to make headway in foreign markets. Through this program, 49 clients in Nova Scotia's Agri-food, Seafood, and Clean Technology sectors were able to leverage the program to





NSCC Nautical Institute (Port Hawkesbury, Cape Breton)

develop a 2-3 minute and a 30-second promotional video that could be played all around the world.

Our export work starts with intelligence and our research and analysis capacity ensures NSBI's programs and services are evidence-based and meeting the needs of business. NSBI extends research and analysis strength to Nova Scotia businesses through Trade Market Intelligence (TMI). We have access to proprietary intelligence that is expensive for Small Medium Enterprises (SME), but necessary for them when making market decisions.

Market diversification has never been more important and NSBI has a proven track record of helping Nova Scotia businesses sell to new markets. We also have funding tools needed to support the necessary next steps.

In an effort to simplify the process for Nova Scotia businesses to apply for export funding, NSBI amalgamated three

of its core export programs into a consolidated Export Development Program (EDP). NSBI also remains focused on making sure companies across the province have the support they need to adopt technology. The Digital Adoption stream of EDP now supports companies to adopt technology and improve processes so that they aren't left behind by the new digital business reality.

With a focus on sustainability, the Government of Nova Scotia announced ongoing support for NSBI's Innovation Rebate Program (IRP) in March 2022, combining three previous programs (SME-IRP, Forestry IRP and the IRP pilot program) into a consolidated, permanent IRP program focused on helping businesses drive cleaner and more sustainable approaches to growth across Nova Scotia. As demonstrated in previous years, the IRP will provide NSBI with the tool to flexibly respond to both big and small businesses in 2022-2023.



Zim cargo ship in the Port of Halifax.

NSBI continues to work with our Atlantic Trade & Investment Growth Strategy (ATIGS) partners to help exporters adopt digital technologies and develop long-term business strategies in Canadian and international markets. We continued to leverage the virtual trade business toolkit, the Europe Market Development Program (EMDP), and the Cambridge and Atlanta Scale-Up Hubs to aid exporting companies expand their market presence and grow sales virtually, by working with someone on the ground assisting Atlantic Canadian businesses in these key markets. In May 2021, NSBI also launched a pilot of the Atlantic-wide Trade Accelerator Program. Known as TAP Atlantic, companies from all four provinces were invited to participate, including five from Nova Scotia.

NSBI also continued to broaden our outreach through our second annual NEXT Nova Scotia Business Growth Summit. This full-day virtual event provided Nova Scotia companies with inspiring and informative panel discussions and keynotes, as well as instructional workshops with industry experts.

Part of our work in helping businesses to increase exports also involves helping to create conducive conditions for businesses to move products in and out of the province. Over the last year, a lot of time and effort was spent on the Port of Sheet Harbour. In March 2022, NSBI selected QSL as its port operator. QSL, operating as the Port of Sheet Harbour Agency (POSHA), will rely on its track record of developing ports based on a port's unique advantages to expand the economic footprint and future potential. Additionally, the Province of Nova Scotia authorized NSBI to purchase neighbouring property to increase the size of the port facility.

Throughout the pandemic, the need for NSBI to respond to client pressures and help navigate change and growth has been important. As we emerge from the pandemic, there are opportunities for Nova Scotia companies to build on their success. NSBI will continue to connect and support our client companies by being there every step of the way.



Inside Investment Attraction

NSBI's investment attraction work plays a critical role in creating new jobs that bring people to work and live in our province. Specific efforts involve partnerships, project management, workforce attachment capacity-building, and incentives with companies.

Our main incentive in attracting investment is the Payroll Rebate, which we use to encourage innovative and sustainable businesses to establish or relocate to Nova Scotia. Overall, our investment attraction efforts, and the payroll rebate tool more specifically, play a critical role in creating these new jobs.

In 2021-2022, NSBI approved 19 payroll rebate transactions with innovative companies attracted to building a workforce here in Nova Scotia. These knowledge-based companies are joined by an increasing number of organizations choosing to open or start here, along with many graduates, new Nova Scotians and seasoned experts in the sector who are advancing their careers in our province.

Research from the Department of Labour, Skills and Immigration indicates that employment opportunities generate a population ratio of approximately 1:3 in Nova Scotia — meaning that for every new resident that moves to our province to work, two other people move here with them. NSBI's ongoing work with

companies who create new high-value jobs is a critical effort toward the success of increasing immigration and migration to Nova Scotia.

Our investment attraction work also includes project management where we played a significant role in attracting the company's growth in Nova Scotia without providing an economic incentive. During 2021-2022, Investment Attraction Executives attracted and facilitated the integration of 7 companies or additional projects in communities across the province from the South Shore to Cape Breton.

As the fundamental shift toward remote work continued to hit global investment in 2021, Nova Scotia remained a solution for companies looking to expand their workforce.

More and more, businesses are embracing permanent flexible work arrangements. Now we are seeing employers moving toward 'remote first' for new hires.



'The Big Fiddle' outside the Joan Harriss Cruise Pavilion (Sydney, Cape Breton).

This means that our conversations with companies have shifted. For companies expanding in Nova Scotia and looking for new talent, this shift has revealed new possibilities for these businesses to consider hiring in regions across the province where that talent is available.

This approach is working. In 2021-2022, one of the United Kingdom's largest auto insurance firms found its expansion solution in various communities throughout Cape Breton.

We know that as businesses look beyond the pandemic, there is a greater focus on helping companies achieve more sustainable solutions and to help them find the skilled labour they need to do the work. Part of how we are moving forward includes our inclusive workforce attachment effort, which has been exploring new partnerships and tools, leading conversations within our client community and engaging with industry sectors and other allies.





Client Stories



CLIENT STORY:
NATIONAL ASSOCIATION OF SOFTWARE
AND SERVICES COMPANIES (NASSCOM)

When we show off Nova Scotia, we reach the on button for new growth

A Memorandum of Understanding (MOU) between NSBI and NASSCOM, India's **National Association of Software and Services Companies**, is already bearing fruit. NASSCOM is the largest IT trade association in India. Its more than 3,000 member companies span start-ups and multinationals, products and services, and global capability centres and engineering firms.

The MOU, signed in March 2022, came about after the successful visit of a delegation of Indian Information and Communication Technology (ICT) executives to Nova Scotia in November 2021. 41 ICT executives, as well as officials from Global Affairs Canada and the NASSCOM organization, attended the three-day program, which included visits to Toronto, Halifax, Fredericton, and Ottawa.

“We work every day to attract innovative, globally competitive companies like NASSCOM’s member companies to establish a business location here,” says NSBI’s President and CEO, Laurel Broten. “With the NSBI team, you can be assured that once you are here, you will be well-connected to the broader private-sector and academic worlds, and we will work with you to help build your exports from Nova Scotia.”

NASSCOM’s Launchpad Program for Canada involves six locations. The MOU with NSBI is already driving investment into Nova Scotia with two: Halifax and Sydney, Cape Breton. Three Indian companies have already chosen to locate in Nova Scotia. Another, Ronds Technologies, has expressed an intention to come to Sydney.



Sijo Joseph, Founder & CEO of Ronds Technologies Pvt. Ltd., listening to competitive advantages of locating in Cape Breton, by John Ludovice, Nova Scotia Business Inc.

Ronds Technologies is a technology company that develops AI-enabled and robotics-enabled solutions in precision agriculture. NSBI worked with Ronds Technologies on their growth plans to provide a location that fuels the company's need for talent, R&D, and partnership opportunities. Working with partners at the Cape Breton Partnership, NSBI provided Ronds an in-depth showcase of Cape Breton-area resources.



“With the NSBI team, you can be assured that once you are here, you will be well-connected to the broader private-sector and academic worlds.”

LAUREL BROTEN
NSBI

This is NASSCOM's first such initiative for Canada, and the launchpad is a soft-landing space for Indian technology companies that are NASSCOM members.

“The MOU is a strategic move for Nova Scotia. NASSCOM will promote Nova Scotia to its members. Besides using the MOU to attract investment and companies to set up in Nova Scotia, we are using it to increase our presence in India,” says Broten.



CLIENT STORY:
COGNIZANT

Here: We Grow and Code

Nova Scotia has been recognized as a hub for diversified information technology businesses, and as a region rich in tech talent, fueled by top educational institutions and world-renowned research centres. Recognizing these benefits, global technology services giant **Cognizant** chose to open a new location in Nova Scotia in 2021-2022.

“We chose Halifax as our next expansion location in Canada to support our growing number of clients, and we look forward to contributing to the region’s vibrant technology community,” said Jay MacIsaac, Cognizant’s Country Head, Canada. “We are pleased to be supporting the growth of the region with the creation of new employment opportunities and are grateful to the Province for their partnership and support of Cognizant expanding in Nova Scotia.”

Cognizant has already added more than 200 new employees in Halifax as part of its announced plan to create up to 1,250 new jobs for IT and digital professionals over a seven-year period in the Province. It is estimated the company could spend up to \$327 million in combined salaries and benefits during the seven-year term.

NSBI is both a partner and a connector with the broader private-sector, academia, and public-sector worlds, helping our province continue to raise awareness, grow exports, and attract foreign direct investment like that of Cognizant. The Information and Communications Technology (ICT) sector has grown to become an integral component of the Nova Scotia economy, and it’s one of NSBI’s strategic sectors.

A key priority for the Province of Nova Scotia is to double Nova Scotia’s population to two million people by 2060 and attract, on average, 25,000 new residents each year. The tech sector is rapidly growing, and many graduates, new Nova Scotians, and seasoned experts are advancing their careers here.



Cognizant's new centre is located at Baywest Centre in Halifax, which offers Class A office space.

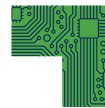
The work NSBI and its partners continue doing to attract new businesses and jobs into Nova Scotia's information technology sector is playing an important part toward doubling our population in the next few decades.

NSBI's investment attraction work is diversifying the mix of employers and careers in our economy so that Nova Scotia continues to attract and retain skilled workers and their families, helping our business to succeed.

Academic partners such as Dalhousie University's Dean of the Faculty of Computer Science strongly agree. The need for more tech talent in Nova Scotia has blossomed into a digital movement, "Here We Code", uniting academia, industry, non-profits and government.

“We look forward to contributing to the region’s vibrant technology community.”

JAY MACISAAC
Cognizant



“Here We Code is about the ecosystem,” explains Dr. Andrew Rau-Chaplin, Dean, Faculty of Computer Science, Dalhousie University. “It’s about celebrating the moment we’re in. It’s about celebrating how much tech has to offer to the social and economic prosperity of the province. It’s about patting ourselves on the back and saying, ‘Hey, we made it.’ It’s about inviting people in and letting them know the door is open to them.”

And as tech continues to grow exponentially around the world and play an ever-important role in every aspect of life and industry, the emphasis is on continued success in attracting, cultivating, and supporting talent. This includes a concerted effort to involve underrepresented groups in tech including female-identifying and non-binary individuals, those from Indigenous or African Nova Scotian communities, and rural regions.

It’s about celebrating and realizing the opportunities in “Canada’s hottest tech hub.”



CLIENT STORY:
ADMIRAL INSURANCE SERVICES

Making the move to Cape Breton improves work-life balance

What started as a move to improve work–life balance for the United Kingdom staff of **Admiral Insurance Services** has turned into a successful remote work expansion into Cape Breton.

Founded in 1993, Admiral Insurance Services (Admiral) is a United Kingdom (UK)-based automotive and household insurance provider with more than seven million customers in the UK.

Admiral’s UK staff were working late into the evening to service clients until 10 p.m., and the company wanted to find a way to provide better work–life balance for their employees. “We needed a location that fit our time zone requirement to ease the load for our UK workforce, and a community that could provide professional, high-end customer service,” says Admiral Canada Operations Director Rebecca Cable.

With the help of NSBI, Admiral’s Halifax office opened in 2007 and has since expanded to more than 400 employees, supporting millions of customers across the UK with home and motor insurance policies. The successful expansion into Nova Scotia offered standard workday hours for both the UK and Halifax offices.

Then COVID-19 struck.

Operations halted, although not for long. “What we thought wasn’t possible came to be within three weeks,” Cable says. “We were able to take our first calls remotely at home, due to the team coming together locally with our IT staff. Although people were nervous at the beginning, today they overwhelmingly prefer it.”

Staff became confident in the work-from-home model, and leadership saw surprising stability in performance. The success of Admiral’s work-from-home pivot during the pandemic gave the company the confidence to consider establishing a location in Cape Breton.



Team meeting at Admiral Insurance Services offices in Halifax.

“Our leadership team initially considered Cape Breton, but no one knew how to progress it,” she says. “The restructuring of our office to a work-from-home model, and NSBI’s involvement, was fundamental in moving that forward and making it happen.”

An assessment was completed through conversations with NSBI and the Cape Breton Partnership, which showed data about Cape Breton’s advantages compared to other locations.

“Overall, NSBI played a huge part in making sure we took the plunge to move into Cape Breton.”

REBECCA CABLE
Admiral Insurance Services

Solidifying the competitive case for the Island, NSBI provided support via a payroll rebate that incentivized hiring exclusively in rural Nova Scotia. “NSBI was very attentive and supportive throughout the negotiation of the rebate, which we were successful in getting,” she says. “Overall, NSBI played a huge part in making sure we took the plunge to move into Cape Breton.”

Admiral is on schedule to achieve its projected goal of 300 employees, not just in Sydney but all around Cape Breton.

“There’s just no question it was the right thing to do,” Cable says. “There’s untapped talent in rural Nova Scotia, particularly Sydney right now, that is a terrific opportunity for us and others. It’s given us confidence to expand and attract more people in the area to allow us to grow our operation in Canada.”



CLIENT STORY:
PARLEE MANUFACTURING LTD.

Upgrading digital tools to stand the test of time

First responders in Nova Scotia have come to rely on the sturdy equipment packs supplied by **Parlee Manufacturing Ltd.**, a family-owned and operated business based in Liverpool. Since 1985, Parlee Manufacturing has made outdoor recreational products tailored to the Atlantic Canadian environment.

Over the years, the company has also established itself as a preferred supplier of medical equipment packs and bags for several provincial Emergency Medical Services (EMS) organizations and a growing list of agencies across the country.

“The EMS providers didn’t have a product they could carry and protect their equipment,” says company president Glenn Parlee. “Our model is designed with the people using the product in mind — we sort of reverse engineered it, asked ‘What do you need?’ and tried to make a product to fit that need.”

Now the company has launched the Versatile Integrated Pack System (VIP System), which offers the benefits of a custom product but can be customized by the operators themselves. It allows EMS operators to create a pack that works for them without requiring custom creations every time their equipment changes.

“We started thinking about how to make a product that doesn’t become obsolete the day it rolls off our machines. With this system, it’s basically an empty slate with different components, and then they build the pack themselves,” Parlee says.

The new simplified product line also allows Parlee Manufacturing to scale more easily and streamline manufacturing. This opened the door to implementing e-commerce, something Parlee says became necessary during the COVID-19 pandemic.

A challenge for Parlee Manufacturing, as for many Nova Scotian businesses, has been staying competitive with foreign manufactured products while operating in Nova Scotia with much higher costs. Selling directly to the end user eliminates the costs of distribution and retail channels. But to succeed, the company needed to update and upgrade their online presence.



Parlee Manufacturing's new Versatile Integrated Pack System (VIP System) line of products.

With the help of NSBI's Export Development Program and programs through Digital Nova Scotia, Parlee Manufacturing accessed funding to create new digital marketing assets including promotional videos, photography, and an e-commerce platform. The new digital tools have enabled the company to successfully launch their product line outside Nova Scotia. "As all products are manufactured in Nova Scotia, all sales will have a positive impact on our Nova Scotia operation," Parlee says.

"Without this program, none of this would have happened. And it was seamless — very easy."

GLENN PARLEE
Parlee Manufacturing Ltd.

Parlee says these digital tools play an important role in continuing to bypass distributors and operate a direct-to-customer model, which keeps costs down and allows them to compete with foreign providers.

"The whole thing is just going to make it a whole lot easier to sell product, which is the name of the game," he says. "It really was the changing point in the focus of our business."

Reflecting on the company's digital marketing journey, Parlee credits programs from organizations like Nova Scotia Business Inc. for providing essential support.

"Without this program, none of this would have happened. It was that crucial as the kickstart," says Parlee. "And it was seamless — it was very easy."

Looking ahead, Parlee says the company intends to add more products to their e-commerce offering, including a focus on recreational products. In the meantime, he is pleased that the company is seeing results from their digital effort.



CLIENT STORY:
JONAS SOFTWARE SOLUTIONS

Strengthening connections, culture, and change

Beginning with our foundational diversity and inclusion efforts started two years ago, NSBI went on to put all the pieces in place during 2021-2022 to finalize our framework and create the internal capacity to make impactful connections between our private-sector clients and organizations across the province focused on the attachment of underrepresented groups to the workforce.

We solidified our partnerships with these critical organizations, worked with our team to identify opportunities, and built the tracking and measurement framework to report on our inclusive workforce efforts.

Through this work, NSBI employees facilitated 52 connections during the fiscal year between Nova Scotia employers and organizations across the province focused on the attachment of underrepresented groups to the workforce. This exceeded NSBI's minimum goal of facilitating at least 50 connections.

Case in Point:

Jonas Software Solutions (Jonas Software) is an example that highlights our work in making the connections necessary toward meaningful job opportunities for new Nova Scotians as well as those Nova Scotians typically underrepresented in growing career opportunities.

With NSBI's connection work, Jonas Software was linked with employment organizations delivering labour-attachment programming for underrepresented groups. The goal is now a co-developed IT support program between Jonas Software and Digital Nova Scotia, leading ultimately to new employment for those graduating from the program.



Team at Jonas Software on a Halifax Harbour cruise.

Already a growing client of NSBI since 2019, Jonas Software didn't stop establishing a presence in Nova Scotia. Despite the pandemic, the company continued growing an in-person/remote team, and inspiring a migration of people to the province eager to experience the ocean lifestyle while working for a top software firm.



“We were able to hire a Nova Scotian based in the Carolinas. We hired in Calgary and Toronto, so those who moved away because of jobs could now move back.”

TIM RICHARDSON
Jonas Software Solutions

“We started hiring local and saw interest from people looking to return to Nova Scotia,” says Jonas Software Operations Manager Tim Richardson. “We were able to hire a Nova Scotian based in the Carolinas. We hired in Calgary and Toronto, so those who moved away because of jobs could now move back.”

More recently, Jonas Software has hired employees in Antigonish, Truro, and the Annapolis Valley. The company has hired three different people from a single Nova Scotia family. Jonas Software has successfully gained certification in the Atlantic Immigration Program as another means to integrate new-to-Nova Scotia folks into the workforce.

Fortunately, Nova Scotia has many organizations in the province working toward the goal of inclusivity for Nova Scotia's traditionally underrepresented groups of persons with disabilities, African Nova Scotians, and First Nations.

And NSBI plans to continue playing a part to help move the bar forward for underrepresented groups' labour attachment in our province.



CLIENT STORY:
STEVENS SOLUTIONS & DESIGN INC.

Modelling what's to come to spur readiness and climate action

Stevens Solutions & Design Inc. (SS&DI) is modelling future environmental scenarios in a way that non-technical people can understand and act on. Using 3D Wave, their proprietary 3D mapping software, SS&DI has created an interactive 3D / virtual reality visualization approach to model the effects of climate change, including sea-level rise, inland flooding, and wildland fires.

This Indigenous-owned and operated company in Mahone Bay has thrived despite COVID-19 lockdowns and the shutdown of travel. It has adapted to provide service delivery virtually to clients, including demos of its software products.

“The ability to do video calls, presentations, and demos remotely was something we embraced quickly with the help of NSBI,” says company president Barry Stevens, who founded the business 20 years ago. His son, Noah, is co-founder and head developer of the company’s 3D Wave Design.

“The lockdowns actually levelled the playing field,” he adds. “The stigma of being in a remote area or in a smaller province or a home-based business was gone.”

SS&DI has developed its climate-change 3D modelling software in conjunction with, and supported by, the National Research Council of Canada, Natural Sciences and Engineering Research Council of Canada, NSCC’s Applied Geomatics Research Group, Atlantic Canada Opportunities Agency (ACOA), and others.

During the pandemic, they expanded their 3D modelling of wildland and of fires.

And in 2021-2022, the company’s support from NSBI meant SS&DI could proceed at half the cost to undertake an acquisition of virtual and mixed-reality equipment so that the company can take content development for headsets much further, while also allowing additional software development and remote technical support.



An example of SS&DI's 3D modelling of a rural area.

“We work directly with the Canadian Forestry Service and Natural Resources Canada,” Stevens says.

“We allow people to run scenarios, which is important. For example, if the projected sea-level rise in 2100 is 1.86 metres, we can apply that to an accurate digital elevation model of a community. Is the fire department on a flood plain? Will the community’s access roads be flooded? All of a sudden people can see and understand how their community will be affected. It’s human nature not to act unless we understand the urgency. We get people to understand the risks. Climate change is happening, and we’re running out of time.”

Working remotely has saved SS&DI time and money.

“Now, potential clients can call me up and I can show them the software right away in real time,” he says. “The pandemic also allowed us to hire and employ people in rural Nova Scotia to work remotely. It allowed us to network, and NSBI’s Digital Adoption Program (a stream within the Export Development Program) was a big part of that.”

“The ability to do video calls and demos remotely was something we embraced quickly with the help of NSBI.”

BARRY STEVENS
Stevens Solutions & Design Inc.

SS&DI has built relationships with private and government customers throughout Canada. Along the way, they have expanded their human and processing capacities to support increased sales. Their next step is to acquire updated, dedicated hardware to continue to grow sales.

“We see ourselves as communication specialists,” Stevens says. “My background is in electronic engineering. Noah is a filmmaker, programmer, and 3D artist/ animator. We’ve combined the creative and the technical to communicate scientific information effectively to nontechnical people. Many small coastal towns and First Nation communities don’t even have a town engineer. We’re empowering communities.”



CLIENT STORY:
THE SOAP COMPANY OF NOVA SCOTIA LTD.

Out of the ashes: rebuilding on a strong foundation

In Sherbrooke, on Nova Scotia's beautiful Eastern Shore, **The Soap Company of Nova Scotia Ltd.** has literally risen from the ashes. In November 2021, a catastrophic fire destroyed the business premises and home of Leigh McFarlane, the company's founder and CEO.

"When you lose everything, it gives you a chance to see things in a different light and not be tied to the past," she says. "We've been innovating a lot. We are now doing a complete rebrand of the whole company — packaging, everything."

The Soap Company of Nova Scotia Ltd., whose tagline is "Feel great in your skin", creates soap and skin care products for people with sensitivities to scents, chemicals, or both. The products are available online, in Sobeys stores throughout Atlantic Canada, and in more than 40 independent stockists in Canada.

The business was strong before the fire, and Leigh and her daughter Anna Muise, director of operations, knew they would rebuild. Two weeks after the fire, they were making soap in an unused bay of the Sherbrooke Fire Hall. In January 2022, the business moved into the former St. Mary's River Smokehouse premises.

"We're continuing to work on building the cash flow we need to get the infrastructure, equipment, and ingredients we need at the right scale to yield economies of scale," McFarlane says.

She is quick to acknowledge the support they have received. "The community was like a great big hug. But a lot of other people said 'yes' to us for a lot of things. We needed to get back on the road and make sales again, and NSBI was right there to help us with the travel expenses for that first round of sales trips."

Right now, Leigh and Anna are preparing to expand into mass retail, a process that will require having each product imaged and listed with GS1, the organization



Leigh McFarlane, Founder & CEO and Anna Muise, Director of Operations of The Soap Company of Nova Scotia. (Sherbrooke, Guysborough County).

that oversees global trade identification numbers such as UPC codes. In addition, they're getting ready to reset their branding and packaging at every store that carries their products. "It's going to be a big campaign and will mean many, many days on the road. NSBI is going to help us with that, which is huge," says McFarlane.



"NSBI funds and resources contributed to our success before the fire and laid the foundation for us to be able to go forward after it."

LEIGH MCFARLANE
The Soap Company of Nova Scotia Ltd.

The business is attuned to three important market trends. "One, people care more and more about packaging. That's why our new packaging will be compostable and why one of our signature products has been shampoo bars," she says.

"Two, more and more people are experiencing sensitivities. And three, people are seeking products they can trust. People do trust us. They trust that our products are going to be natural, that we have a good guarantee, and that we stand by what we make.

NSBI funds and resources contributed to our success before the fire and laid the foundation for us to be able to go forward after it," she adds. "Going into the fire strong meant we were able to come out of it strong."



PROGRAM SPOTLIGHT:
DIGITAL MARKETING ASSET
DEVELOPMENT PROGRAM

Showing, not telling

Surrounded by water, Nova Scotia enjoys a moderate climate and a growing season that can stretch well into November. With more than 3,000 farms, 2,000 businesses, and approximately 12,000 jobs linked to agriculture, Nova Scotia's Agri-food and Beverage industry was busy delivering the tastes of our province to the world when the pandemic hit.

Like other industries, the Agri-food and Beverage industry relied heavily on getting in front of customers before travel ceased and the world came to a halt. The challenge presented by the pandemic: how to continue to reach those customers remotely while addressing other implications of the pandemic, including an increase in food costs, product safety concerns, and a change in shopping behaviour with the growth of e-commerce and online services.

The solution was in showing, not telling.

In response to COVID-19, NSBI introduced the Digital Marketing Asset Development Program (DMADP). Designed to support companies that traditionally relied on international trade shows and other face-to-face engagements, the program enabled companies to use video to deliver tours, enable conversations, and demo products. The videos showcase not just products, but in some cases, the company's complete operational process, addressing food safety and sustainability practices as well as production capacity concerns.

After launching in 2020 with the ocean technology sector, DMADP delivered 19 marketing and sales-focused videos for clients in the Agri-food industry in 2021, including five in the Annapolis Valley: Benjamin Bridge, Annapolis Cider, Lightfoot & Wolfville, and Scotian Gold Cooperative.



Behind the scenes of Benjamin Bridge video shoot (Wolfville, Kings County).

Of course, the success of a video is determined by who sees it. Getting it in front of the right audiences is critical to drive engagement and lead-generation. NSBI developed and shared best practices in video marketing, from how to create a YouTube channel, to embedding on websites, to promoting on social media and tagging partners.

Even as we transition into a post-pandemic world, companies continue to see the value video marketing plays in today's business environment. It continues to help them succeed in the new and increasingly competitive digital sales reality.



“If you are wondering what we do behind the scenes to get those beautiful apples to your table, check out our awesome video! A big thanks to Nova Scotia Business Inc. (NSBI)!!”

SCOTIAN GOLD COOPERATIVE

To view all DMADP videos, go to NSBI's YouTube Channel.



CLIENT STORY:
PASSIVE DESIGN SOLUTIONS

Passive Design, Active Results, Ahead of the Curve

Canada's most experienced passive-house design firm, [Passive Design Solutions](#) in Truro, specializes in designing net-zero homes.

Natalie Leonard is the founder of Passive Design Solutions. Her company offers stock home building plans and custom architectural home design services to create energy efficient, low-maintenance homes. Passive homes use 70% less energy than code-built homes.

"The purpose is to conserve energy first before adding any renewable technology to generate energy," Leonard says.

And while the housing boom is certainly alive and well in Nova Scotia, it's not necessarily where they're generating their leads.

"All our growth has been in export," says Leonard, noting they have projects lined up from coast to coast in Canada, with Ontario currently being their biggest market.

A key export challenge is related to understanding the local zone requirements and building codes that may impact our home designs, she says. Also, the permit requirements vary in different markets, and some require licensure or even onsite inspections.

The company had a good problem to which it needed to adapt: growth.

"We had increased our web traffic and leads by more than 10 times, and we have doubled our sales each year."

In 2021-2022, Leonard and her team tapped into NSBI's Export Development Program to access consulting and digital adoption services, powering up her company's exporting efforts and growth capacity.



Interior layout of a Passive Design Solutions' home.

With NSBI's help, Passive Design Solutions has integrated an advanced customer relationship management system (CRM) and project management software, which are helping manage client information, leads, sales, and on-time project delivery with a growing number of active projects.



“We had increased our web traffic and leads by more than 10 times, and we have doubled our sales each year.”

NATALIE LEONARD
Passive Design Solutions

"The tools are streamlining sales processes, allowing for some automation which is needed with our increased volume of leads."

As they look to what's next, the team is excited about expanding their work into different types of housing projects. They're currently working to develop multi-unit affordable housing projects, leveraging their single-family private home approach, and applying it on a larger scale.

“For me, it's about doing our part for the planet, one house at a time,” says Leonard. “Yes, you will save money on your power bill, and it's quieter and bright and sunny, but those are just side benefits for me to doing something to impact our fight in climate change.”



CLIENT STORY:
NOVONIX BATTERY TECHNOLOGY SOLUTIONS

Strong Nova Scotia talent circuits powering battery progress

Worldwide demand for batteries is skyrocketing thanks to the accelerating adoption of electric vehicles and renewable energy.

From 2020 to 2021, the global battery market more than doubled in size, while the cost of lithium-ion batteries fell by 90% over the last decade — trends enabled by materials breakthroughs, evolving technology, and strategic supply chain investments. To maintain this momentum, new advances and the ability to bring them to market at scale will remain critically important.

Nova Scotia has a strong track record in energy storage and is committed to being a leader in the clean energy transition. Home to international battery innovators and industry players, Nova Scotia is drawing on its talent pipeline and its geographic, trading, and logistical advantages to drive continuing innovation and technology readiness — growing battery solutions and energy security for Canada and the world.

Proof Point

Spun out of Dr. Jeff Dahn's lab at Dalhousie University, NOVONIX Battery Technology Solutions (NOVONIX) is a prime example of what is possible when you combine academic innovation with a connected and invested local business environment. With state-of-the-art battery testing solutions, NOVONIX is at the forefront of a cleaner future in Nova Scotia and around the world.

As the world transitions to and adopts renewable energy sources, building confidence in energy storage systems is key. Led by CEO Dr. Chris Burns, NOVONIX is supporting the world's growing need for reliable, high-performing, and lower-cost lithium-ion batteries through its testing technologies and battery materials.



A view inside the Bedford-based NOVONIX facility.

“Nova Scotia has been a great home for the research and development arm of the business as we continue to serve customers around the world,” says Dr. Burns. “There is great local support for growth in the company. The Payroll Rebate and the ability to help develop and onboard talent from the local universities is a huge asset.”

NOVONIX has the potential to create up to 82 jobs under a five-year payroll rebate agreement signed with NSBI. Based on the maximum growth forecast of the agreement, NSBI estimates that the company could spend up to \$15,819,300 in salaries.

“Nova Scotia has been a great home for the research and development arm of the business.”



DR. CHRIS BURNS
NOVONIX Battery Technology Solutions

It is also estimated that the new employees would contribute provincial tax revenues of around \$2,028,000 through their income and consumption taxes. In this scenario, the company would earn a rebate of up to \$1,281,819 over five years.

The company is expanding its Bedford location and planning to add another facility in Dartmouth.

Dr. Burns, along with some of the team, spent time under the supervision of NOVONIX Chief Scientific Advisor Dr. Jeff Dahn in his lab at Dalhousie University. Dr. Burns continues to foster this close connection to Nova Scotia’s many universities, creating a mutually beneficial relationship. This includes Dr. Mark Obrovac’s research group at Dalhousie University, which recently committed to a five-year collaborative research agreement. NOVONIX has proven that Nova Scotia’s talent pipeline is strong with several former students of Dr. Obrovac’s research group now NOVONIX employees.



PROGRAM SPOTLIGHT:
PRODUCTIVITY INNOVATION VOUCHER

Productivity and Innovation Voucher = Research & Revving up Businesses

Increases at Nova Scotia firms in employment, productivity, investment, and innovation are all core outcomes incorporated in NSBI's business planning, programs, tools and services, and everyday operations.

We know investment in research and development (R&D), introduction of a new or improved good or service, or a new and significantly improved production process has a notable impact on business growth and its employment.

“Competitors beyond our borders are not holding back. They are investing in technology and automation, and are transitioning to more digitally enabled jobs,” says Laurel Broten, President and CEO, Nova Scotia Business Inc.” NSBI helps companies invest in themselves, including on research and development. It is imperative we maintain momentum and see more companies able to join in.”

NSBI's Productivity and Innovation Voucher Program (PIVP) helps small and medium-sized companies access direct assistance to help make their business more productive and innovative. The program supports businesses in seeking out expertise within Nova Scotia's post-secondary institutions to improve productivity; develop a new product, service, or process; and create growth.

In 2021-2022, 55 Nova Scotia businesses located throughout the province did exactly that — connected, with the help of PIVP, to research strength in our post-secondary institutions.

Proof Points:

Natural Butter Bar Cosmetics, Dartmouth

When it comes to skin and hair care, one size does not fit all. Natural Butter Bar Cosmetics designs all-natural, ethically sourced products that are great for both hair and skin, allowing buyers to customize their own products. Its products are



responsive to people of African descent, other people of colour, and people with curly textured hair.

With a NSBI PIVP agreement and expertise from researchers at Dalhousie University's Agricultural Campus in Truro, the company's project aims to keep its products natural. Natural Butter Bar Cosmetics knows other companies have resorted to using chemical-based preservatives that can be harmful to hair and skin. Company founder Tiffani Young knows there is a way to achieve similar results when it comes to stability and shelf life while maintaining the quality, integrity, and the natural state of her products.

Graphite Innovation and Technologies Inc., Dartmouth

A startup company founded in 2016, Graphite Innovation and Technologies has developed a marine coating that offers significant performance and environmental advantages, cutting fishing boat fuel costs by 20%.

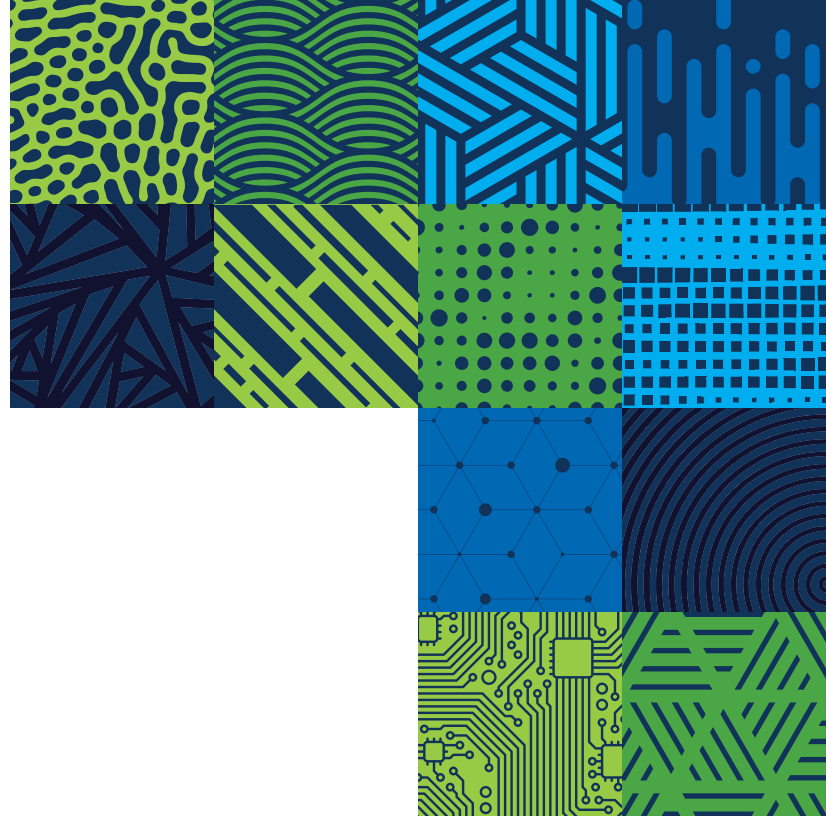
In 2021-2022, using NSBI's PIVP and working with experts at the Department of Biology at St. F.X. University, the company's project is focused on rigorous assessment of growth of fouling organisms and their attachment strengths, contributing to a faster product refinement cycle and incorporating testing on how coatings will perform in the real world. Most recently, the research seeded by PIVP has extended into toxicological tests to ensure coatings will not cause unintended harm to ocean ecosystems.

Clare Machine Works, Meteghan

Clare Machine works offers an extensive range of welding and fabricating services. The company has gained a solid reputation for building first-rate, machine-engineered industrial products and solutions that improve the livelihood of the global marine and fisheries sectors.

Through NSBI's PIVP and researchers at Dalhousie University, Clare Machine Works' project aims to tackle the challenge faced by the fishing industry's quota limitations to the fish used as lobster and crab bait, which is causing strain on the fishermen. An automated machine prototype has been developed to increase production times, and this project aims to eliminate hand and other injuries resulting from the current bait-chopping practices.





Looking Ahead

NSBI will keep moving at the speed of business by listening to the needs of companies, developing programs that respond to those needs, and creating a safe space for employee innovation and collaboration to ensure we remain alert and nimble.

After consulting with partner organizations to better understand the challenges, opportunities, and best practices that could inform our work, we cultivated relationships with the underrepresented communities who had not traditionally been associated with economic development activity, namely African Nova Scotians, First Nations, persons with disabilities, women, LGBT+, and veterans. NSBI will continue offering help for other companies across the province to put the same lens on their own organizations, products and services.

Two years of pandemic public health restrictions, closed borders, and travel bans have made it difficult for businesses to manage supply chains and reach new markets. Yet, despite these challenges, we are witnessing the strength and resilience of our businesses to adapt, retool, and innovate to meet the needs of the current global marketplace — and we, alongside our partners and government, continue adapting to support them.

In the months and years ahead, NSBI believes we will take the best lessons from the pre- and post-pandemic worlds — merging travel with virtual offerings — allowing us to connect with international partners and clients on a more frequent basis online, bolstered by key in-person meetings (when appropriate) to deepen relationships.

NSBI will focus its efforts on Nova Scotia's continued economic recovery from the COVID-19 pandemic. Being the “go-to” organization for economic development means being inclusive, progressive, modern, and digital, which applies to how we operate internally as well as to the programs and services we implement daily for Nova Scotia businesses.



APPENDIX A

Public Interest Disclosure of Wrongdoing Act

Public Interest Disclosure of Wrongdoing Act

The Public Interest Disclosure of Wrongdoing Act was proclaimed into law on December 20, 2011.

The Act provides for government employees to be able to come forward if they reasonably believe that a wrongdoing has been committed or is about to be committed and they are acting in good faith.

The Act also protects employees who do disclose from reprisals, by enabling them to lay a complaint of reprisal with the Labor Board.

A Wrongdoing for the purposes of the Act is:

- a) a contravention of provincial or federal laws or regulations
- b) a misuse or gross mismanagement of public funds or assets
- c) an act or omission that creates an imminent risk of a substantial and specific danger to the life, health or safety of persons or the environment, or
- d) directing or counselling someone to commit a wrongdoing

In Accordance with Section 11 of the NSBI Disclosure of Wrongdoing Policy, the following is NSBI's Disclosure of Wrongdoing: Fiscal 2021-2022 Annual Report:

Information Required under Section 18 of the Act	Fiscal Year 2021-2022
Number of disclosures received	0
Number of Investigations Commenced	0
Findings of Wrongdoing	0
Corrective Action Taken	Not applicable
Reason No Corrective Action Taken	Not applicable



APPENDIX B

Summary of Measures to Advance Accessibility Initiatives



APPENDIX B

Summary of Measures to Advance Accessibility Initiatives

As a member of Nova Scotia's Crown Corporations Accessibility Committee, NSBI, alongside Develop Nova Scotia, Events East, and Innovacorp, held a joint meeting with a majority of community volunteers on December 3, 2021 (International Day of Persons with Disabilities).

The three-year term committee volunteers are:

- Frank O'Sullivan
- Milena Khazanavicius
- Casey Perrin
- Earl Muise
- Michelle Mahoney

NSBI is in the early stages of collaborating with the committee and volunteers to identify, prevent, and eliminate barriers in our programs, services, initiatives, and facilities.



APPENDIX C

Summary of Operational Approach to the Impact/Effects of COVID-19

Summary of Operational Approach to the Impact/ Effects of COVID-19

Increases at Nova Scotia firms in employment, productivity, investment, and innovation are all core outcomes incorporated in NSBI's business planning, programs, tools, and services, and everyday operations — more so as a result of COVID-19. As the pandemic pushed businesses years down their technology journey:

- NSBI mobilized to support clients and Nova Scotian firms with virtual workshops and virtual trade shows and missions within 2 weeks of border closures
- NSBI tripled training supports from pre-pandemic levels and added coaching components to help companies
- In total, 270 participants attended 33 workshops covering FITTskills, diversity, and issue specific training in FY 2021-2022.
- Leveraging the Digital Adoption stream kept companies competitive, and NSBI Trade Market Intelligence provided proprietary intelligence for SMEs
- NSBI kept Nova Scotia 'open' with virtual reality assets so people could 'experience' whether the province was a fit for their business, and the Europe Market Development Program and the Scale-Up Hubs in Cambridge and Atlanta kept businesses deeply connected in markets.
- And NSBI partnered with Mitacs to lower the costs to Nova Scotia businesses during COVID-19 to access post-secondary researchers on innovative work in priority sectors.



APPENDIX D

Audited Financial Statements

Consolidated financial statements of Nova Scotia Business Incorporated

March 31, 2022

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Management's Report

Management's Responsibility for the Consolidated Financial Statements

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial statements on a semi-annual basis and external audited consolidated financial statements yearly.

The external auditors, Deloitte LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the consolidated financial statements. The external auditors have full and free access to financial management of Nova Scotia Business Incorporated and meet with them when required.

On behalf of Nova Scotia Business Incorporated



Laurel C. Broten
CEO



Ferdinand Makani
Controller

Independent Auditor's Report

To the Board of Directors of
Nova Scotia Business Incorporated

Opinion

We have audited the consolidated financial statements of Nova Scotia Business Incorporated (the "Corporation"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of operations and changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2022, and the results of its operations, changes in net financial assets and its cash flows for the year then ended, in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

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

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 PSAS, 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 Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS 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 GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

The image shows a handwritten signature in cursive script that reads "Deloitte LLP". The signature is written in dark ink on a white background.

Chartered Professional Accountants
June 22, 2022

Nova Scotia Business Incorporated

Consolidated statement of operations and changes in accumulated surplus

Year ended March 31, 2022

(In thousands of dollars)

	Notes	Budget (Unaudited) \$	2022 \$	2021 \$
Revenue				
Provincial				
Operating grant		32,059	25,544	28,489
Strategic investment grant		11,000	10,785	15,403
Loan valuation allowance grant		1,000	1,000	1,000
Miscellaneous		217	212	325
Nova Scotia Film and Television				
Production grant		—	—	25,561
Other				
Federal		1,490	1,390	1,861
Interest on loans receivable		456	1,125	1,454
Nova Scotia Independent Production Fund ("NSIPF") revenue (Schedule 1)		415	446	543
Recovery of FCINS equity investments and film production development loans	16 and 17	—	328	1
Gain on sale of equity investments		45	92	162
Gain on sale of tangible capital assets		—	—	180
		—	—	2
		46,682	40,922	74,981
Expenses				
Operating expenses (Schedule 2)		33,432	27,360	31,108
Strategic investments		11,000	10,785	15,403
Nova Scotia Business Fund: other expenses (Schedule 3)		835	781	787
Nova Scotia Independent Production Fund ("NSIPF") expenses (recovery) (Schedule 1)		—	328	(111)
Nova Scotia Film and Television Production incentives		—	—	25,561
Transfer payments to the Province of Nova Scotia	5	—	—	10
Recovery of provision for credit losses	6	1,000	(208)	(922)
		46,267	39,046	71,836
Annual operating surplus		415	1,876	3,145
Accumulated surplus, beginning of year		17,244	17,244	14,099
Accumulated surplus, end of year		17,659	19,120	17,244

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

Nova Scotia Business Incorporated**Consolidated statement of changes in net financial assets**

Year ended March 31, 2022

(In thousands of dollars)

	Budget (Unaudited)	2022	2021
	\$	\$	\$
Annual operating surplus	415	1,876	3,145
Change in tangible capital assets			
Acquisitions of tangible capital assets	—	(137)	(130)
Amortization of tangible capital assets	44	90	50
Gain on sale of tangible capital assets	—	—	(2)
Proceeds from sale of tangible capital assets	—	—	10
Net change in tangible capital assets	44	(47)	(72)
Change in other non-financial assets			
Acquisitions of prepaid assets	—	(371)	(530)
Use of prepaid assets	—	530	374
Net change in other non-financial assets	—	159	(156)
Increase in net financial assets	459	1,988	2,917
Net financial assets, beginning of year	15,926	15,926	13,009
Net financial assets, end of year	16,385	17,914	15,926

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

Nova Scotia Business Incorporated
Consolidated statement of financial position
As at March 31, 2022
(In thousands of dollars)

	Notes	2022 \$	2021 \$
Financial assets			
Cash and cash equivalents		35,770	32,184
Short-term investments	7	8,000	8,000
Accrued interest receivable		99	161
Other receivables		628	1,324
Receivables - NSIPF		—	4
Due from the Province of Nova Scotia	7	9,482	49,178
Loans receivable	3 and 6	7,830	9,827
Equity investments	4 and 6	—	—
		61,809	100,678
Liabilities			
Accounts payable and accrued liabilities	7	23,366	57,913
Accounts payable and accrued liabilities - NSIPF		8	7
Deferred revenue		116	270
Deferred revenue - NSIPF		633	636
Employee benefits and other liabilities	15	915	855
Due to shareholder	7	18,767	24,979
Film production assistance commitments payable		—	72
Film production assistance commitments payable - NSIPF		90	10
Transfer payments payable to the Province of Nova Scotia	5	—	10
		43,895	84,752
Net financial assets		17,914	15,926
Non-financial assets			
Tangible capital assets	5	835	788
Prepaid expenses		371	530
		1,206	1,318
Accumulated surplus			
	8	19,120	17,244
Contractual obligations	9		
Contingencies	10		

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

On behalf of the Board

— Brenda Belliveau , Director

— Danielle Patterson , Director

Nova Scotia Business Incorporated
Consolidated statement of cash flows

Year ended March 31, 2022
(In thousands of dollars)

	Notes	2022 \$	2021 \$
Operating transactions			
Annual operating surplus		1,876	3,145
Items not affecting cash and cash equivalents			
Amortization of tangible capital assets		90	50
Amortization of loan valuation allowance receivable		(1,000)	(1,000)
Allowance for credit losses and provision for payment of guarantees		(208)	(922)
Gain on sale of equity investments		—	(180)
Gain on sale of tangible capital assets		—	(2)
Changes in non-cash working capital	13	5,972	(5,594)
		6,730	(4,503)
Capital transactions			
Additions of tangible capital assets		(137)	(130)
Proceeds from sale of tangible capital assets		—	10
		(137)	(120)
Investing transactions			
Loan advances		(4)	(10)
Proceeds on redemption of equity investments		15	1,179
Repayments received on loans receivable		2,194	1,685
		2,205	2,854
Financing transaction			
Principal repayments to the Province of Nova Scotia		(5,212)	(3,881)
		(5,212)	(3,881)
Increase (decrease) in cash and cash equivalents		3,586	(5,650)
Cash and cash equivalents, beginning of year		32,184	37,834
Cash and cash equivalents, end of year		35,770	32,184

Supplementary cash flow information

13

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

Nova Scotia Business Incorporated

Notes to the consolidated financial statements

March 31, 2022

(In thousands of dollars)

1. Business overview

Nova Scotia Business Incorporated (the "Corporation") is a corporation, wholly-owned by the Province of Nova Scotia (the "Province") with an independent Board of Directors. The Corporation was established pursuant to the *Nova Scotia Business Incorporated Act*, Chapter 30 of the Acts of Nova Scotia, 2000.

The Corporation's mission is to develop and enable Nova Scotia businesses to grow through export, creating opportunity and benefit for all those who call Nova Scotia home. The Corporation is not subject to provincial or federal taxes.

On April 9, 2015, the Nova Scotia provincial government tabled the March 31, 2016 budget in the House of Assembly, which included the elimination of the Film and Creative Industries Nova Scotia ("FCINS") agency's funding and a plan to cease its operations. Legislation, Bill No. 108 passed by the Government of Nova Scotia, introduced in the spring assigned all assets and liabilities of FCINS to the Corporation effective April 9, 2015 including those of the restricted independent production fund ("IPF").

On April 1, 2016 with the consent of the Province pursuant to Section 68(1) of the Finance Act, the Corporation incorporated a wholly owned subsidiary, Nova Scotia Independent Production Fund ("NSIPF"). On June 9, 2016, NSIPF was certified by the Canadian Radio-Television and Telecommunications Commission ("CRTC") and was added to the list of independent production funds to administer The Eastlink TV Independent Production Fund Program. As a result, the assets and liabilities of the IPF were assigned to and became assets and liabilities of NSIPF effective June 9, 2016.

NSIPF's purpose continues to be as was FCINS's as an IPF, to support Nova Scotia and Canadian television programming by receiving contributions as a restricted independent production fund under the Broadcasting Distribution Regulations and to distribute such contributions to productions determined to be eligible for funding in accordance with the requirements of the CRTC.

2. Summary of significant accounting policies

Basis of accounting

The consolidated financial statements of the Corporation have been prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as established by the Public Sector Accounting Board ("PSAB").

The Corporation follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods and services and/or the creation of a legal obligation to pay.

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and changes in net financial assets and cash flows of the reporting entity. The reporting entity is comprised of the following entities which are owned or controlled by the Corporation:

- Nova Scotia Business Incorporated
- Nova Scotia Independent Production Fund

All inter-departmental and inter-entity balances and transactions between the entities have been eliminated on consolidation.

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2022

(In thousands of dollars)

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash includes petty cash and amounts on deposit with financial institutions. Cash equivalents include short-term highly liquid investments with a term to maturity of 3 months or less at acquisition. All are measured at fair market value.

Short-term investments

Short-term investments includes investments in financial instruments, such as promissory notes, with a term to maturity of greater than 3 months at acquisition, but maturing within 365 days of year-end.

Loans receivable

Loans receivable are recognized at amortized cost using the effective interest rate method. Loans receivable are classified as impaired when, in the opinion of management, there is reasonable doubt as to the timely collection of the full amount of principal and interest. A specific valuation allowance is established to reduce the recorded value of the impaired loan to its estimated net recoverable value.

A general allowance of 5% of cost is recorded to reflect anticipated future losses for all loans receivable which do not have a specific allowance.

Initial and subsequent changes in the amount of valuation allowance are recorded as a charge or credit to the consolidated statement of operations.

Loans receivable are written off after all reasonable restructuring and collection activities have taken place, and management believes that there is no realistic prospect of recovery. Once all or a part of a loan receivable has been written off, the write-off is not reversed, unless the loan receivable is recovered, in which case the recovery is credited to the consolidated statement of operations upon receipt.

Equity investments

Investments in equity instruments of private enterprises are carried at cost with realized gains and losses recognized in the consolidated statement of operations in the period 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. A specific valuation allowance is established to reduce the recorded value of the impaired investments to their estimated net recoverable value.

A general allowance of 10% of cost is recorded to reflect anticipated future losses for all investments in private enterprises receivable which do not have a specific allowance.

A write-down of an investment to reflect a loss in value is not reversed if there is a subsequent increase in value.

The investments and loans receivable are reviewed twice yearly for potential declines in value.

Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method, with gains and losses recognized in the consolidated statement of operations in the period that the liability is derecognized.

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2022

(In thousands of dollars)

2. Summary of significant accounting policies (continued)

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of assets. The cost, less residual value, of the tangible capital assets, excluding land, is amortized over their estimated useful lives as follows:

<u>Asset</u>	<u>Basis</u>	<u>Rate</u>
Buildings	Declining balance	5%
Wharves	Declining balance	5%
Utilities	Declining balance	4-15%
Computer software	Declining balance	50%
Computer hardware	Declining balance	50%
Furniture, equipment & technology	Declining balance	12%

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

Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded in revenues at their fair value at the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value.

Impairment of long-lived assets

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations and are not reversed.

Government transfers

Government transfers are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. The transfer payments recorded by the Corporation are flow-through arrangements of proceeds from the sale of crown assets which the Corporation administers and are remitted to the Province. In accordance with PS 3410, government transfers do not include flow-through arrangements where a government agrees to act merely as an intermediary to administer funds on behalf of another party and has no ability to make decisions regarding the use of the funds.

Similarly, when funds are received as a result of an administrative flow-through arrangement in which a recipient government serves only as a cash conduit (i.e., it has no direct financial involvement in the program nor decision-making capability in relation to the program) the receipt and disbursement of cash would not be recognized as transfers in that recipient government's consolidated financial statements.

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2022

(In thousands of dollars)

2. Summary of significant accounting policies (continued)

Revenue recognition

Government contributions are recognized as revenue in the period the transfer is authorized, and all eligibility criteria have been met, except when, and to the extent, the transfer includes stipulations which have not yet been met.

Government contributions with stipulations are initially deferred and recognized as revenue as the related stipulations are met:

- (a) Operating grants are recognized as revenue in the period the transfer is received but adjusted at year-end for any portion which does not meet the eligibility stipulations to be treated as revenue, which is booked as a payable to the Province for future reimbursement.
- (b) Strategic investment grants are recognized when expenditure is recorded in accordance with the Corporation's approved budget and shall be provided in accordance with policies, guidelines and procedures set out in the Corporation's business plan.
- (c) Loan valuation grant is provided by the Province of Nova Scotia to offset Due to Shareholder debt obligation.
- (d) Miscellaneous consists of various contracts for trade programs. Revenue is recognized in the period the transfer is authorized, and all eligibility criteria have been met, except when and to the extent the transfer includes stipulations which have not yet been met.

Interest revenue on the loans receivable is recognized on an accrual basis unless the ultimate collectability of the loan is in doubt. When a loan is classified as impaired, interest revenue is no longer recognized, and any interest income that is accrued is reversed. A loan is considered impaired when there is risk of loss to the Corporation of the full and timely collection of principal and interest; generally, when it is more than three months in arrears. In the event a loan is no longer considered to be impaired, interest revenue is recognized in the year of recovery.

Other revenue is recognized when earned and collection is reasonably assured.

Provision for credit losses and payment of guarantees

Due to Shareholder debt obligation is partially offset by a non-cash loan valuation allowance contribution from the Province of Nova Scotia. The contribution is recorded as both a receivable and revenue.

Employee future benefits

The Corporation provides certain employee benefits which will require funding in future periods. These benefits include vacation pay and public service awards. The remainder of the public service awards were paid out in 2020. Previously, upon retirement, qualifying employees were eligible for a public service award equal to one week's salary per year of service to a maximum of 26 weeks. Management used to recognize compensation expense on an accrual basis with actuarial assessments having been carried out every three years.

The Province extended a one-time payout in lieu of public service award on retirement to eligible non-union and management employees in 2018 and to unionized employees in 2019. Permanent employees of the Corporation participate in the Public Superannuation Fund (the "Plan"), a contributory defined benefit pension plan administered by the Province, which provides pension benefits based on length of service and earnings. Contributions to the Plan are required by both the employees and the employer. The costs of the employer pension benefits are the Corporation's contributions due to the Plan in the period.

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2022

(In thousands of dollars)

2. Summary of significant accounting policies (continued)

Employee future benefits (continued)

The Corporation is not responsible for any under-funded liability, nor does the Corporation have any access to any surplus that may arise in this Plan.

The Corporation accounts for severance pay on an accrual basis and the amount is calculated based upon accumulated years of service. The amount is payable when the employee ceases employment with the Corporation.

Use of estimates

The preparation of the consolidated financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Significant estimates included in the consolidated financial statements relate to the valuation of the loans receivable and the amount of certain accrued liabilities. Actual results could differ materially from these estimates.

3. Loans receivable

	Note	2022	2021
		\$	\$
Principal due		17,280	20,583
Allowance for credit losses	6	(9,450)	(10,756)
		7,830	9,827

Annual interest charged on these loans ranges from 0% to 10% (2021 - 0% to 10%). The maturity dates of the loans receivable are as follows:

	\$
Past due	1,534
Year ended March 31, 2023	4,672
Year ended March 31, 2024	270
Year ended March 31, 2025	2,549
Year ended March 31, 2026	208
Year ended March 31, 2027	—
Year ended March 31, 2028	5,149
Fully allowed for loans receivable	2,898
	17,280

The level of security on loans is also negotiated between the Corporation 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.

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2022

(In thousands of dollars)

4. Equity investments

	Note	2022 \$	2021 \$
Common shares		10,156	10,156
Preferred shares		6,206	8,206
		16,362	18,362
Allowance for credit losses	6	(16,362)	(18,362)
		—	—

Certain equity investments have conversion options and warrants attached.

In the year, the Corporation had \$15 of shares redeemed (2021- \$1,000) for proceeds of \$15 (2021 - \$1,064). In addition to the redemption of shares, there was a write off of \$1,985 (2021 - \$nil) worth of preferred shares, as the balance was deemed uncollectable (Note 6).

5. Tangible capital assets

	Cost \$	Accumulated amortization \$	2022 Net book value \$	2021 Net book value \$
Land	82	—	82	82
Buildings	873	721	152	160
Wharves	1,752	1,359	393	414
Utilities	411	396	15	18
Computer hardware/software	184	75	109	114
Furniture, equipment & technology	84	—	84	—
	3,386	2,551	835	788

Proceeds from the sale of tangible capital assets less closing costs are remitted to the Province in the form of transfer payments. In the current year, the transfer payments payable to the Province from the sale of tangible capital assets were \$nil (2021 - \$10).

6. Allowance for credit losses

	Notes	Gross balance outstanding \$	Specific allowance \$	General allowance \$	Total allowance \$	2022 Net balance outstanding \$
Loans receivable	3	17,280	9,055	395	9,450	7,830
Equity investments	4	16,362	16,362	—	16,362	—
		33,642	25,417	395	25,812	7,830

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2022

(In thousands of dollars)

6. Allowance for credit losses (continued)

		Gross balance outstanding	Specific allowance	General allowance	Total allowance	2021 Net balance outstanding
Notes		\$	\$	\$	\$	\$
Loans receivable	3	20,583	10,259	497	10,756	9,827
Equity investments	4	18,362	18,362	—	18,362	—
		38,945	28,621	497	29,118	9,827

During the year, investments in the amount of \$3,098 (2021 - \$41) were written off, including \$nil (2021- \$nil) allowed for during the current year, and \$208 (2021 - \$922) of previously allowed for investments were recovered, resulting in a net decrease in total allowance of \$3,306 (2021 - \$963).

7. Related party balances

Short-term investments

	2022	2021
	\$	\$
Province of Nova Scotia promissory note receivable, bearing interest at 0.29% per annum, maturing August 17, 2022	7,600	—
Province of Nova Scotia promissory note receivable, bearing interest at 1.41% per annum, maturing March 3, 2023	400	—
Province of Nova Scotia promissory note receivable, bearing interest at 0.23% per annum, maturing August 17, 2021	—	7,600
Province of Nova Scotia promissory note receivable, bearing interest at 0.24% per annum, maturing March 4, 2022	—	400
	8,000	8,000

Due from the Province of Nova Scotia

The balance due from the Province is non-interest bearing with no set terms of repayment and includes \$nil (2021-\$3,726) of earned operating grant receivable from the Province.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities includes \$3,843 (2021 - \$nil) of unused operating grant revenue payable to the Province.

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2022

(In thousands of dollars)

7. Related party balances (continued)

Due to shareholder

The Corporation signed a Memorandum of Understanding effective March 31, 2016 with the Province allowing and changing the treatment and recognition of the former long-term debt with the Province. The outstanding notes payable balance of \$50,706 as at March 31, 2016 between the Corporation and the Province was converted into a non-interest bearing shareholder loan with no set terms of repayment. As a condition of this conversion, the Corporation was required to reduce its Loan Valuation Allowance receivable due from the Province by applying it against the outstanding notes payable to the Province.

8. Share capital

The Corporation is authorized to issue 100 Class A common shares with a par value of \$1 each. At year-end, 100 common shares have been issued to the Province. Share capital is included in accumulated surplus on the consolidated statement of financial position.

9. Contractual obligations

The Corporation provides strategic investments that permit approved businesses to receive a percentage of payroll taxes paid as a rebate. Expenses incurred by the Corporation are match-funded by the Province in the form of a Strategic Investment Grant.

As at March 31, 2022, transactions were approved with maximum annual payments over the next seven years of \$113,285 (2021 - maximum annual payments over the next six years of \$71,656) as shown below:

	<u>\$</u>
2023	18,484
2024	22,518
2025	22,515
2026	21,137
2027	15,026
2028	8,145
2029	<u>5,460</u>
Total	<u>113,285</u>

Effective April 1, 2021, the Corporation ceased to be the administrator of the Nova Scotia Film and Television Production Incentive Fund ("NSFPIF"), it was transferred to the Department of Communities, Culture, Tourism and Heritage ("CCTH") through the provincial annual budget approval process. In previous years, the Corporation was the administrator of the NSFPIF which was established during 2016 to support the film and television production industry in the Province and to create economic value for Nova Scotians.

As at March 31, 2022, no commitments were booked on the Corporation's books since all outstanding ones were transferred to CCTH (2021 - commitments in the amount of \$27,947 were recognized based on the Incentive Agreements over a one year period).

Nova Scotia Business Incorporated

Notes to the consolidated financial statements

March 31, 2022

(In thousands of dollars)

10. Contingencies

Litigation

The Corporation is co-defendant with the Province and Industrial Estates Limited in a dispute regarding environmental contamination on land previously owned by Industrial Estates Limited. The Corporation believes that any losses incurred related to this claim will be fully funded by the Province.

The Corporation is unable to form an opinion in regard to the likelihood of loss arising from the above litigation. Consequently, no provision for any possible loss has been recorded in these consolidated financial statements.

In addition, there are other outstanding claims against the Corporation for events that have arisen in the normal course of carrying on the operations of the Corporation. It is not possible at this time to determine the amount that may be assessed, or the impact to the Corporation's consolidated financial statements, with respect to these claims.

Contaminated Site

The Corporation had a long-term lease agreement at the Port of Sheet Harbour with ScoZinc Limited (now Scotia Mine Limited), a wholly owned subsidiary of EDM Resources Inc., and its predecessors for storage and shipment of Lead & Zinc through the Port from the Scotian Mine in Gay's River. In July 2020, Scozinc Limited provided 60 days notice of its intent to terminate the lease. Under the terms and conditions of the agreement, Scozinc is responsible for the remediation of any contamination discovered because of its use of the site to the satisfaction of the Corporation and Nova Scotia Environment Contaminated Sites Regulations ("regulations").

According to the Ph. II Environmental Site Closure Assessment and Remedial Action Plan completed by the Scozinc Limited as per the terms of the lease, lead-zinc concentration exceedances, within surface water discharge, and lead concentrate exceedances in surficial soil samples were identified throughout the property. This contamination exceeds the acceptable standards, including Nova Scotia Environment Tier 1 Environmental Quality Standards for Groundwater, Non-Potable, Commercial Land Use Standards and are not acceptable to the Corporation.

The Corporation does not accept responsibility for the contamination and related remediation costs and currently holds a \$100 reclamation bond from Scozinc Limited and will be seeking further remedies available under the lease or otherwise at law. Management has not disclosed the ranges of possible outcomes of the estimated clean-up costs due to the potentially adverse effect on the Company's position with respect to this matter.

11. Financial instruments

Fair value

Fair value estimates are made as of a specific point in time, using available information about the financial instruments and current market conditions.

Fair value measurements in connection with the allowance for credit losses recognized in Notes 3 and 4 are categorized using the fair value hierarchy that reflects the significance of inputs used in determining the fair values:

- Level 1 - unadjusted quoted prices in the active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly or indirectly; and
- Level 3 - inputs for assets and liabilities that are not based on observable market data.

Cash and cash equivalents have been recorded as Level 1 using the fair value hierarchy.

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2022

(In thousands of dollars)

11. Financial instruments (continued)

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Corporation. To mitigate this risk, the Corporation has developed the following policies:

Before financing is approved, a risk assessment is performed on the client. Each application is designated a risk rating based on the industry and business, quality of management, financial performance, the level of other creditor involvement and shareholder participation, and environmental risks. The terms and conditions of the approved financing are reflective of the assessed risk. Applications with unacceptable levels of risk are not approved.

Clients are usually limited to a total of \$15,000 in financing from the Corporation's Nova Scotia Business Fund. Three clients have exceeded this total in the past; two were approved in the Nova Scotia Business Development Corporation Fund and transferred to the Nova Scotia Business Fund via legislation on November 6, 2001 and both were paid out in a previous year. A third client, that was authorized financing of \$15,100 and approved in fiscal 2011, currently has an outstanding balance of \$5,149 (2021 - \$6,161) which is now below the \$15,000 financing limit threshold and has been fully disbursed.

The risk rating for all clients is monitored on an on-going basis. Clients identified as higher risk are further assessed at year end to determine the extent of potential loss, taking into account the value of the security pledged in support of the financial assistance. This assessment could result in a reduction in the carrying value of the investment via the provision for credit losses.

Interest rate risk

Interest rate risk is the risk that the market value of the Corporation's investments and debt will fluctuate due to changes in the market interest rates. It is management's opinion that the Corporation is not exposed to significant interest rate risk arising from financial instruments, as the loans receivable bear interest at fixed rates of interest and the balances due from and to the Province are non-interest bearing or bear interest at fixed rates.

Market price risk

Market price risk is the risk that the value of an investment will fluctuate as a result of changes in the market prices, whether those changes are caused by factors specific to the individual financial instrument, its issuer or factors affecting similar financial instruments traded in the market. The Corporation's exposure to market price risk is limited, as it does not presently hold investments quoted in an active market; however, the fair value of investments in equity instruments of private enterprises carried at cost could fluctuate based on changes in the fair value of similar equity instruments traded in an active market.

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 grants, 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 debt servicing payments to the Province. In the normal course of business the Corporation enters into contracts that give rise to commitments for future payments which also impact the Corporation's liquidity. The Corporation also maintains cash on hand for liquidity purposes and to pay accounts payable and accrued liabilities.

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2022

(In thousands of dollars)

11. Financial instruments (continued)

The following table summarizes the fixed contractual maturities for all financial liabilities as at March 31, 2022:

	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	2022 Total	2021 Total
	\$	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	23,366	—	—	—	23,366	57,913
Accounts payable and accrued liabilities - NSIPF	8	—	—	—	8	7
Employee benefits and other liabilities	571	200	144	—	915	855
Transfer payments payable to the Province	—	—	—	—	—	10
Deferred revenue	116	—	—	—	116	270
Deferred revenue - NSIPF	633	—	—	—	633	636
Due to shareholder	2,133	6,816	5,000	4,818	18,767	24,979
Film production assistance commitments payable	—	—	—	—	—	72
Film production assistance commitments payable - NSIPF	90	—	—	—	90	10
	26,917	7,016	5,144	4,818	43,895	84,752

12. Nova Scotia Business Fund

The Nova Scotia Business Fund (the "Fund") is comprised of investments approved under the direction and management of the Corporation and investments transferred from the Nova Scotia Business Development Corporation Fund ("NSBDC") on November 6, 2001. The following is a summary of the Fund as at March 31, 2022:

		NSBI portfolio	NSBDC portfolio	2022	2021		
		Less allowance for credit losses	Less allowance for credit losses	Net total	Net total		
Notes	Gross	\$	\$	\$	\$		
Assets							
Loans receivable	3	12,720	5,186	4,560	4,264	7,830	9,827
Equity investments	4	16,362	16,362	—	—	—	—
Tangible capital assets	5	—	—	727	—	727	674
Others		116	—	—	—	116	116
		29,198	21,548	5,287	4,264	8,673	10,617

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2022

(In thousands of dollars)

12. Nova Scotia Business Fund (continued)

Funding authorized and committed:	Notes	2022 \$	2021 \$
Fund balance authorized, net of write-offs		178,529	181,627
Less: uncommitted balance of fund		144,043	141,892
Committed fund balance		34,486	39,735
Less: allowance for credit losses	6	25,813	29,118
		8,673	10,617

13. Supplementary cash flow information

Changes in non-cash working capital

	2022 \$	2021 \$
Accrued interest receivable	62	(110)
Other receivables	696	(618)
Receivables – NSIPF	4	22
Due from the Province of Nova Scotia	39,696	(6,886)
Accounts payable and accrued liabilities	(34,546)	1,955
Accounts payable and accrued liabilities - NSIPF	1	(3)
Deferred revenue	(154)	99
Deferred revenue – NSIPF	(3)	324
Employee benefits and other liabilities	60	(40)
Film production assistance commitments payable – operating	(72)	–
Film production assistance commitments payable – NSIPF	80	(176)
Transfer payments payable to the Province of Nova Scotia	(10)	(5)
Prepaid expenses	158	(156)
	5,972	(5,594)

Interest income

During the year, cash received for interest income was \$508 (2021 – \$543).

14. Related party transactions

During the year NSBI paid incentive grants totaling \$12 (2021 - \$422) to companies related to members of the board of directors of the Corporation.

The Corporation receives legal services free of charge from the Province. Management estimates the annual cost of these services would be approximately \$335 (2021 - \$330).

These transactions were carried out in the normal course of operations and on terms and conditions that would be similar to those of transactions with non-related parties.

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2022

(In thousands of dollars)

15. Employee benefits and other liabilities

The employee benefits and other liabilities reported on the consolidated statement of financial position, are made up of the following:

	2022	2021
	\$	\$
Vacation pay	384	367
Other payroll accruals	531	488
	915	855

Pension benefits

All full-time employees are entitled to receive pension benefits pursuant to the provisions of a pension plan established under the Public Service Superannuation Act based on the employees' length of service and earnings. The plan is funded by the employee and the employer's contributions. The employer's contributions for 2022 were \$734 (2021 - \$720) and are recognized as an operating expense in the year.

16. Film production development loans

Film production development loans previously committed by FCINS were provided to eligible producers to support essential process of the development which takes an idea through the stages of research, writing, market analysis and costing, which must precede the completion of the production financing arrangements. Support for the development of a project does not necessarily imply support for a production. Film production development loans are interest free and are to be repaid the earlier of the first day of principal photography or on the optioning, sale or transfer of the property to a third party.

During the year, the Corporation received \$nil in recovery of development loans (2021 - \$nil). As at March 31, 2022, \$7 (2021 - \$7) remains undisbursed and is included in commitments payable. There were no film production development loans disbursed, assumed and originated at year-end (2021 - \$nil).

17. Film production equity investments

Film production assistance previously committed by FCINS, in the form of equity investments were provided to eligible producers for the financing of productions that will provide employment and economic benefit to Nova Scotians. Equity investments are made with conditions of repayment through participation in revenues by projects. Revenue is recorded as reported by producers.

During the year, the Corporation received \$92 (2021 - \$162) in recovery of equity investments resulting in a cumulative recoupment, assumed and originated, as at March 31, 2022, of \$4,929 (2021 - \$4,637). Also as at March 31, 2022, \$65 (2021 - \$65) remains undisbursed and is included in commitments payable. Total film production equity investments disbursed, assumed and originated, at year end were \$46,909 (2021 - \$46,909).

Nova Scotia Business Incorporated
Notes to the consolidated financial statements

March 31, 2022

(In thousands of dollars)

18. Nova Scotia Independent Production Fund ("NSIPF")

NSIPF, through The Eastlink TV Independent Production Fund Program provides production assistance in the form of film production equity investments to eligible producers for the financing of production that will support employment and economic benefits to Nova Scotia. Film production equity investments are made with the condition of repayment through participation in revenues by projects. Revenue is recorded as reported by producers. Funds received by NSIPF are externally restricted and included on the consolidated statement of financial position in cash and cash equivalents and are deferred until committed.

During the year, the Corporation through its subsidiary, NSIPF, received \$301 (2021 - \$333) from the funding partner to invest in qualifying projects, and \$23 (2021 - \$17) in the recovery of equity investments. The cumulative total of equity investments made by the IPF, assumed and originated, as at March 31, 2022 is \$5,821 (2021 - \$5,501) due to investments made (\$320) (2021 - \$nil) and, cancelled investment approved in a prior year \$nil (2021 - \$118). As at March 31, 2022, \$23 (2021 - \$17) was recouped and \$90 (2021 - \$10) remains undisbursed and is booked as a commitments payable.

Nova Scotia Business Incorporated**Schedule 1 – Schedule of the Nova Scotia Independent Production Fund
("NSIPF") revenues and expenses**

Year ended March 31, 2022

(In thousands of dollars)

		Budget (Unaudited)	2022	2021
	Notes	\$	\$	\$
Revenue				
Eastlink contributions	18	—	303	—
Recovery of equity investments	18	—	23	—
Interest income		—	2	1
		—	328	1
Expenses				
Equity investments		—	320	—
Administrative expenses		—	8	7
Recovery of investment		—	—	(119)
		—	328	(111)

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

Nova Scotia Business Incorporated
Schedule 2 – Schedule of operating expenses

Year ended March 31, 2022
(In thousands of dollars)

	Notes	Budget (Unaudited)	2022	2021
		\$	\$	\$
Business development		21,737	16,214	20,522
Salaries and benefits	15	9,848	9,648	9,289
Office		834	679	695
Telecommunications and technical support		542	540	416
Other		121	105	108
Legal and audit	14	51	65	44
Amortization		53	59	16
Travel		246	50	18
		33,432	27,360	31,108

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

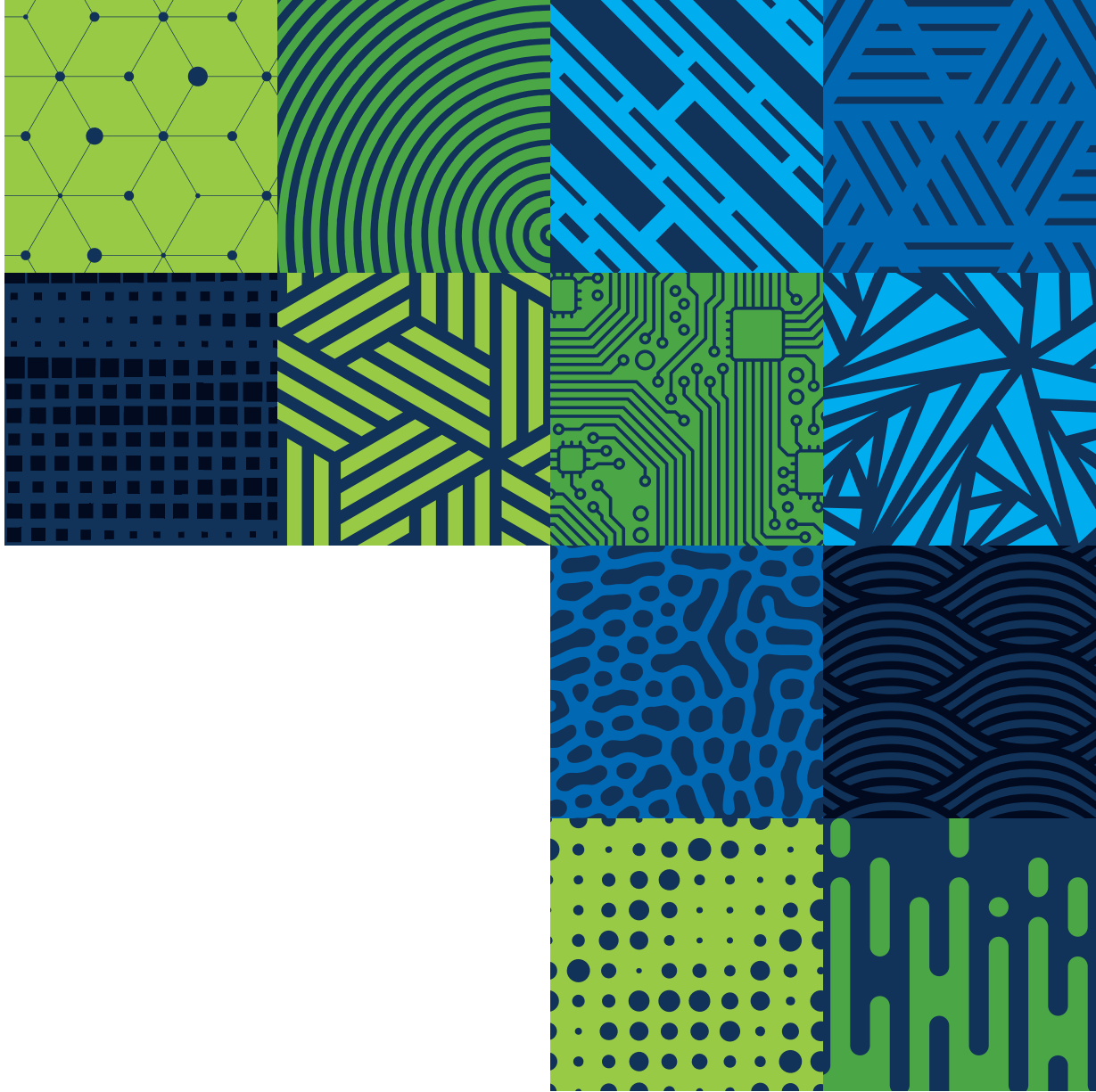
Nova Scotia Business Incorporated**Schedule 3 – Schedule of Nova Scotia Business Fund: other expenses**

Year ended March 31, 2022

(In thousands of dollars)

	Budget (Unaudited)	2022	2021
	\$	\$	\$
Repairs, maintenance, salaries and other	741	658	753
Amortization of tangible capital assets	44	31	34
Legal	50	92	—
Recovery of commissions and other fees	1	—	—
	836	781	787

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



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