WELCOME

A journey began more than two years ago when a group of British Columbians came together to talk about what they saw as the social and economic opportunity for British Columbia and Canada over the next 20 years. From this small gathering grew dozens of roundtable discussions, townhall meetings, collaborations and partnerships involving hundreds, if not thousands of people. The result: Canada’s Digital Technology Supercluster.

Along with our Members, we are creating globally competitive digital technology products and services. Through the development, commercialization and adoption of these products and services, we are scaling Canadian small and medium enterprises (SMEs), opening new customer and market opportunities, and providing Canadians the skills and training needed to be successful in the global digital economy.

It’s a remarkable opportunity to forge a new model of partnership and collaboration as we make a bold leap into the future. Together with the support of our many partners, we look forward to unlocking the incredible potential of Canadian creators to grow our economy and build a thriving, world-class hub for innovation in digital technologies, and data analytics, mixed, augmented and virtual reality and quantum computing.

We would also like to take this opportunity to acknowledge that Canada’s Digital Technology Supercluster’s head office is in the traditional territory of the Coast Salish peoples, including the territories of the Musqueam, Squamish, and Tsleil-Waututh Nations. We are grateful to have the opportunity to work in this territory.

Sue Paish, Chief Executive Officer
Canada’s Digital Technology Supercluster
MESSAGE FROM THE BOARD CO-CHAIRS

Canada’s Digital Technology Supercluster is forging a new way of delivering innovative technologies across Canada and around the world. Through our Supercluster, Members are leveraging BC’s leadership across sectors to position Canada as a global hub for digital technology.

It has been a year of exciting firsts. The Supercluster started with a small group of founding member organizations who shared the same vision. By strengthening our expertise in data and digital technologies through industry led project teams, we will position Canada as a global leader - scaling small enterprises, expanding market access and growing Canada’s global competitiveness. Our Supercluster now engages with more than 500 organizations representing multiple sectors of the economy, including small and medium-sized businesses, startups, researchers, governments and post-secondary organizations. The potential in the years ahead is both inspiring and unprecedented.

During our first year, the Supercluster was registered under Canada’s Not-for-Profit Corporations Act and finalized its agreement with the Government of Canada. The Board also approved the Supercluster’s five-year strategy. We launched our first call for projects through our Technology Leadership Program which resulted in the selection of seven projects across our three investment streams. We then opened our second call for the same and launched our inaugural Capacity Building Program, both of which generated an impressive collection of diverse and ambitious proposals. We will be approving projects from these programs this fall.

Thank you to our Members and the Board for all your hard work, and also to the dedicated Supercluster team. As a Member or Associate, you are contributing to a bold new way of fostering innovation, one that is positioning Canada as a leader on the global stage. Thank you for your creativity, determination and continued involvement in this transformative enterprise. We look forward to working with you in 2019/2020.

MESSAGE FROM THE CEO

Welcome to the first Annual Report of Canada’s Digital Technology Supercluster. It has been quite a year for our Supercluster and our stakeholders - characterized by commitment from our Members and Associates, a determination to deliver outcomes and dedicated governance by our Board. We are proud of our achievements and inspired by the tangible outcomes on the horizon.

Our accomplishments are unprecedented. In our inaugural year we engaged with more than 500 organizations and benefitted our stakeholders by hosting over 100 events. We received over 100 Expressions of Interest in our four programs in Technology Leadership and Capacity Building and appointed the first seven Technology Leadership Program projects. As we prepare this report, we are reviewing 27 proposals received from our spring proposal calls and are currently advancing 36 projects. All of this is happening while we continue to create opportunities for world-class technology and talent development projects.

Our Supercluster is founded on a bold vision: To position Canada as a global leader in digital technology through a supercluster that unlocks the potential of data in the era of the intelligent enterprise.

To deliver on our vision we must change the way we approach innovation by catalyzing partnerships across diverse organizations to deliver digital solutions and innovations that no single organization could deliver on its own – this has been the focus and the early outcomes in our first year.

Guided by our values we delivered on our promises to Canadians this year. Our Members, our Board and the Supercluster team uphold our commitment to diversity, transparency, collaboration, results, boldness and respect in everything we do, always keeping in mind that we are serving a greater good for all Canadians. For this, my gratitude is only exceeded by excitement as we build on this momentum in the months and years ahead.

Edoardo De Martin, Board Co-Chair
Joanne Senecal, Board Co-Chair

Sue Paish, Chief Executive Officer
2018-2019: A YEAR OF FIRSTS

ENGAGING OUR COMMUNITY

- 500+ Organizations Engaged
- 100 Community Outreach Events Held
- 93 Organizations in 22 Communities Consulted

INVESTING IN INNOVATION

- 100 Organizations Participating
- 150+ SMEs Involved
- 100+ Collaborations Catalyzed
- 36 Projects in Development
- 7 Technology Leadership Projects
- $360M Public & Private Investment Committed

GREAT SUCCESS STORIES

- Positioning Canada as a global hub for digital innovation while solving some of society’s most pressing challenges.
- Boosting the national GDP by over $5 billion and creating 13,500 jobs over the next decade.
- Optimizing product quality and reducing downtown in industrial manufacturing through predictive analytics.
- Improving the competitiveness of the forestry sector by digitally transforming the timber supply chain.
- Improving sustainable resource development and emergency management through remote sensors, satellite imagery and data analytics.
- Developing new materials for better airplanes by creating a digital twin of the manufacturing process.
- Saving lives through early diagnosis and treatment of cancer.
- Tailoring health care to an individual’s genetic make up to ensure people get the right drug, at the right dose, at the right time.
- Providing Canadians with a secure data platform where health care information is securely stored to better support wellness, prevent disease and personalize care.

Audience members at Canada’s Digital Technology Supercluster participate in the announcement of the first supercluster projects in precision health, data commons, and digital twins. (Source: Supercluster, 2019)
2018-2019: A YEAR OF FIRSTS

OUR MILESTONES

SUMMER 2017
Canada’s Digital Technology Supercluster Founding consortium is formed

MAY 2018
Canada’s Digital Technology Supercluster is incorporated

FEBRUARY 2018
Government of Canada confirms investment of up to $153M for Canada’s Digital Technology Supercluster

JUNE - SEPTEMBER 2018
Innovation and community partners engaged through province-wide consultation
First Technology Leadership project proposals received

SUMMER 2018
Founders and initial Supercluster Members onboarded

SEPTEMBER 2018
First Technology Leadership projects selected
Board of Directors established and first Board meeting held

MARCH 2019
Second call for Technology Leadership projects
Launch of Capacity Building Program

NOVEMBER 2018
Contribution Agreement signed between Government of Canada and Canada’s Digital Technology Supercluster
WHO WE ARE

Canada's Digital Technology Supercluster is an industry-led organization which aims to position Canada as a global leader in digital innovation.

OUR PURPOSE

Our Vision

To position Canada as a global leader in digital technology through a supercluster that unlocks the potential of data in the era of the intelligent enterprise.

Our Mission

• Create a critical mass of world-leading digital technology companies in BC and Canada that develop innovative products, platforms and processes;
• Transform Canadian industries through the digitization of business, prioritizing industry-specific needs and delivering productivity gains and competitive advantages at the firm and industry levels; and,
• Grow the economic benefits for the region and for Canada by generating new companies, scaling-up existing firms, enabling performance improvements in Canada’s sectors of strength, and positioning BC as a global hub for digital technology innovation.

Our Values

The Supercluster is guided by core values that are the cornerstone of how Supercluster Members, Associates, staff and stakeholders interact and work together.

DIVERSITY. We embrace diversity and inclusion in everything we do, including improving the inclusion and participation of Indigenous people, underrepresented groups and women in our digital talent base;

TRANSPARENCY. We are transparent, open, candid and respectful in our communications and actions, and we promote a trustful environment;

COLLABORATIVE. We proactively collaborate, respecting and leveraging the value of different experiences and perspectives to drive agreement;

RESULTS FOCUSED. We are outcome and results focused, knowing that through collaboration we will deliver meaningful, strong and positive results;

GREATER-GOOD. We embrace the greater good and seek system-wide benefits;

BOLD. We are dynamic and innovative, pushing technology for maximum business and societal impact; and,

RESPECT. We keep our promises and if there are conflicts, we declare them to maintain transparency and professional integrity.

Meet Canada’s Digital Technology Supercluster team helping make the year of firsts possible. (Source: Supercluster, 2019)
WHO WE ARE

WHAT SUCCESS LOOKS LIKE

Our Supercluster’s core objectives are:

- Build powerful partnerships and alliances
- Increase the breadth and diversity of talent ready for the digital economy
- Scale up small and medium-sized enterprises and increase ecosystem performance
- Develop globally-competitive platforms and companies

OUR MEMBERS

Our Members include some of the most respected names in Canadian business, small and medium enterprises, research organizations, government and post-secondary institutions. We work together to create new digital products and services, and energize our economy.
We operate with an open membership model and throughout the year, have welcomed many new Members and Associates from across Canada.

**Members** are organizations that have made an explicit commitment to co-invest in projects alongside the Supercluster. **Associates** are organizations that are exploring how they bring and receive value from the Supercluster and that may be invited to participate in projects.

Members drive the development of the Supercluster’s investment strategy, determine program focus areas, and develop and lead projects. Associates are encouraged to participate in projects to explore new partnerships.

Bill Tam, VP Business Development and Partnerships and Greg Caws, Co-Founder at Canada’s Digital Technology Supercluster, celebrate with the team, members and associates at the official launch and funding announcement in November 2018. (Source: Supercluster, 2019)
Our Supercluster strategy is founded on building the global competitiveness of Canadian companies by harnessing the power of collaboration.

We designed collaboration and customer adoption into our Supercluster strategy from the outset, ensuring that technology development in our portfolio of project investments will propel Canadian innovation to new levels and 'move the needle' with respect to productivity and competitiveness for Canada's companies.

The result will be faster commercialization and export of products, platforms and technologies that will simultaneously cultivate global leaders in digital technology and enhance the performance of Canadian companies in key sectors of the economy.

In our first year, we engaged with more than 500 organizations to be part of the Supercluster. Together, our Members seek to digitally transform the natural resources, industrial and health care sectors and position Canada as a global leader in digital technology.

What Supercluster project are you involved with?

We’re a partner on two projects: Predictive Analytics for Manufacturing Processes* and the Learning Factory Digital Twin**. The goal of Predictive Analytics for Manufacturing Processes is to improve the fabrication of structural components. Quantum computing and advanced machine learning will be used to better predict potential defects in the manufacturing of large aircraft components, optimizing production and further defining our competitive advantage. The Learning Factory Digital Twin projects aims to create a digital replica of aircraft manufacturer’s assembly line. Simulations of a real-world factory environment will provide new insights into optimizing the manufacturing process. This will reduce costly factory downtime, improve product yields while continuously improving performance.

* Led by D-Wave with other partners
** Led by Avcorp Industries with other partners

What does Membership mean to you?

Supercluster project success will help position British Columbia as a global leader in digitally enhanced manufacturing, leveraging the province’s growing technology sector and position Canada as a new challenger in the global predictive analytics field.
What does Membership mean to you?

The Supercluster aligns with BCIT’s mission to partner learners with industry for the benefit of both. New prospects for workforce development create a tremendous opportunity to engage under-represented members of our community including Indigenous, new immigrants, women and youth-at-risk among others. We believe that increasing diversity in the technology sector, as well as across the employment spectrum, is critical to a healthy and sustainable economy, community and environment.


What does Membership mean to you?

We are proud to be a part of the Dermatology Point-of-Care Intelligent Network*. The goal of the project is to solve the problem of access and long wait times for skin care diagnosis and treatment. Our project will accelerate the diagnosis and management of patients with skin cancer through the use of digital imaging and an AI-based platform that creates a seamless experience and saves lives.


What Supercluster project are you involved with?

We are proud to be a part of the Dermatology Point-of-Care Intelligent Network*. The goal of the project is to solve the problem of access and long wait times for skin care diagnosis and treatment. Our project will accelerate the diagnosis and management of patients with skin cancer through the use of digital imaging and an AI-based platform that creates a seamless experience and saves lives.


Describe your organization.

We are Careteam. We are a patient-centred care collaboration platform. What we are doing is changing the experience of health care by bringing everybody who is involved in the care of a patient onto a single platform. By creating a more consistent experience for health care providers, we can develop better outcomes for the patient, reduce the cost of health care delivery, and increase patient satisfaction.

What Supercluster project are you involved with?

We are proud to be a part of the Dermatology Point-of-Care Intelligent Network*. The goal of the project is to solve the problem of access and long wait times for skin care diagnosis and treatment. Our project will accelerate the diagnosis and management of patients with skin cancer through the use of digital imaging and an AI-based platform that creates a seamless experience and saves lives.


Describe your organization.

BCIT is a post-secondary, polytechnic institute that provides applied learning and research opportunities to 50,000 learners each year. We have a unique provincial mandate to educate a job-ready workforce for BC’s key economic sectors, and a strategic plan that considers rapidly advancing technologies, globalization and evolving future workplace needs.
**MEMBER SPOTLIGHT: D-WAVE**

**WARREN WALL, EXECUTIVE VICE PRESIDENT, CORPORATE AFFAIRS**

Describe your organization.

D-Wave is a leader in the development and delivery of quantum computing systems, software and services. We were the first supplier of commercial quantum computing systems. Our mission is to unlock the power of quantum computing for the world.

What is quantum computing?

Quantum computing is the next generation of computing systems beyond the digital computers we all use today. Quantum computers use the properties of quantum mechanics to perform calculations on complex problems that are very difficult, if not impossible, for classical digital computers, and challenging even for the biggest supercomputers available today.

What Supercluster project are you involved with?

D-Wave is part of the Predictive Analytics for Manufacturing Processes* project. The goal of our consortium is to reduce the failure rate of aircraft components moving through a manufacturing process. The project will use advanced machine learning algorithms on hybrid classical and quantum computing platforms to provide feedback to operators of the manufacturing process. This will help the operators predict potential failures and allow them to address problems before the component is manufactured.

*Led by D-Wave with other partners

What does Membership mean to you?

D-Wave is already working with some of the largest companies in the world. Because of the Supercluster, we are now finding opportunities to work with Canadian companies in natural resources, manufacturing and health care sectors.

**MEMBER SPOTLIGHT: FINGER FOOD**

**NICK FACEY, SENIOR DIRECTOR OF INNOVATION**

Describe your organization.

We are an advanced technology group based in Port Coquitlam, BC. We’re about 175 engineers, designers and creators that help global companies execute their digital transformation, helping them make use of emerging technologies, often tackling problems that could well have been in their respective industry for 30 years.

We are experts in utilizing converging technologies, which covers the spectrum of augmented and virtual reality, blockchain, robotics, AI and machine learning.

What is your involvement with the Supercluster?

At Finger Food, we were excited about the Supercluster right from the start. The idea of merging global companies with local tech makes perfect sense, and impacts how we operate across health care.

What does Membership mean to you?

For us, the Supercluster has been great for opening doors. It gets us in front of companies that have challenges to be addressed, that are looking for suitable partners to help solve their problems. It lets us take our tech, push it harder, develop it further and faster, and of course to grow as a company. It is an incredible opportunity for a BC tech company of our size, and one we really think should help a lot of other tech companies in BC.
Describe your organization.

Providence Health Care provides health care in hospitals, seniors’ residences and other facilities in Metro Vancouver and across British Columbia. We are known for providing care to the most vulnerable members of society, delivering that care with compassion, and for being innovative, taking the best ideas and translating them so that we are on the cutting edge of health care.

What Supercluster project are you involved with?

We are a proud member of the Dermatology Point-of-Care Intelligent Network*. Many patients face long wait times and have to travel long distances to see a dermatologist. This project aims to dramatically change that process by using modern technology. A skin lesion could be photographed and with the assistance of artificial intelligence (AI), diagnosed quickly regardless of whether the patient lives in Vancouver or a remote BC community.

What does Membership mean to you?

We’re really excited about the Supercluster. It enables us to meet, form partnerships and work with people who we wouldn’t otherwise be working with from the private sector – small and medium-sized enterprises – large private sector organizations and our academic partners. The Supercluster enables us to get the cleverest people in the room to think about how we tackle the challenges of 21st century health care.

*Led by Change Healthcare with others, including MetaOptima, Careteam, BC Cancer Agency, UBC and UVic.

Describe your organization.

Teck is Canada’s largest diversified resource company, committed to responsible mining and mineral development with business units focused on copper, zinc, steelmaking coal and energy. Headquartered in British Columbia, we are focused on using leading technology and innovative practices to make our operations safer, more sustainable and more productive than ever before.

What is your involvement with the Supercluster?

Teck is very excited to be a Founding Member of the Supercluster and the only mining company involved. We see a great opportunity to learn from, and collaborate with, leaders in industry and technology to accelerate the development and deployment of new innovations across numerous sectors, including the resource industry.

What does Membership mean to you?

we’re keen to advance the digital twin capabilities in the mining industry and build digital twins of our processes such as mine planning, mineral processing, maintenance, and environmental monitoring to help find new efficiencies and improvements.

What is the biggest opportunity as a Member?

The connections made through the Supercluster are helping Teck push the boundaries and enhance innovation across our company. For example,
OUR MEMBERS

BENEFITS FOR CANADIANS

Position Canada as a world leader in digital technologies that harness the power of data

Create new jobs and prepare the workforce for the jobs of tomorrow, with a focus on Indigenous peoples, women and underrepresented groups

Fuel the economy with the development of new products and services through collaborative innovation and partnerships

Foster innovation in all corners of our country to grow robust and resilient communities

Enable small companies and startups to export to the world

Enhance the global competitiveness of Canadian companies in the health care, resources and industrial manufacturing sectors

OUR PROGRAMS

Transforming industries through the development of digital innovation and the development of a diverse and skilled workforce for the jobs of tomorrow.
We invest in the development of a resilient innovation ecosystem, growth of an inclusive talent pool and deployment of globally-leading digital innovation. Our four programs are:

**OUR PROGRAMS**

**A ROBUST INNOVATION ECOSYSTEM**

We invest in the development of a resilient innovation ecosystem, growth of an inclusive talent pool and deployment of globally-leading digital innovation. Our four programs are:

**OUR PROGRAMS**

**TECHNOLOGY LEADERSHIP PROGRAMS**

Our Technology Leadership Programs are in three areas: data commons, digital twins and precision health. These programs aim to harness the skills of British Columbians and Canadians in the fields of data analytics, genomics, virtual, mixed and augmented reality, and quantum computing among others. These programs are focused on developing wide-scale adoption of new products, services and platforms.

**Capacity Building Program**

During our first year of operation, we created the Capacity Building Program to develop a robust and resilient innovation ecosystem and to develop the breadth and diversity of talent ready for the digital economy. The program's design incorporates input from our province-wide consultation and Program Advisory Council. We are committed to continue our engagement with communities across Canada country and to foster diversity and inclusion.

The Capacity Building Program aims to:

- Develop a diverse pool of digital talent to ensure we have a workforce prepared for the jobs of tomorrow with a focus on improving the inclusion and participation of Indigenous people, underrepresented groups and women.
- Scale SMEs by providing the resources for growth and increasing supply chain links, enhancing access to global markets for Canadian companies.

We launched our Capacity Building Program in March 2019 with an initial investment of up to $2 million. We anticipate selecting pilot projects for this program later this year.

The BC Government is a key partner in the Capacity Building Program and we look forward to coordinating our activities and investment with counterparts across the country.

**DATA COMMONS**

To aggregate big data resources from multiple stakeholders into shared platforms with broad-based and world-leading protocols for the collection, security, access and sharing of data.

- Earth Data Store
- Forest Machine Connectivity

**DIGITAL TWINS**

To leverage digital technologies to create real-time, virtual production environments, that improve operations, cost management, simulation, modelling and training across multiple sectors.

- Predictive Analytics for Manufacturing Processes
- The Learning factory Digital Twin

**PRECISION HEALTH**

To leverage world-class research and enable the delivery of technologies that improve health outcomes, and the sustainability of health care systems while empowering patients and putting them at the center of care.

- Dermatology Point-of-Care Intelligent Network
- Secure Health and Genomics Platform
- Tailored Health - Pharmacogenetics
We announced the selection of the first seven projects through the Technology Leadership Programs of Data Commons, Digital Twins and Precision Health. These projects represent a total investment of $40 million over three years; attracting $25 million of investment and leveraging $15 million of Supercluster funding.

What if there was a better way to predict the impacts of extreme weather on our environment and the way we live? This project will collect, standardize and secure data from multiple sources such as earth observation satellite imagery and environmental sensors, and then use it for various analytical purposes. For example, with this data, we could better predict where wildfires are most likely to occur and in which direction they are most likely to spread. The data could also be used to better predict the most environmentally responsible way to construct a natural resource project.
We can optimize our stewardship of our forestry lands and improve the efficiency of forestry operations by digitally transforming and modernizing the timber harvesting supply chain. Through this project, data that is currently being collected by a variety of sensors throughout the supply chain will be consolidated onto a common, secure data platform. This consolidated data will help forestry workers identify and resolve timber harvesting supply-chain bottlenecks in real time and develop best practices throughout the entire harvesting supply chain.

Imagine a manufacturing plant with systems that can predict when it needs repairs. Imagine a manufacturing plant that can tell in advance whether a large piece of industrial equipment will be made exactly as designed. In this project, quantum computing and advanced machine learning will be used to better predict potential defects in components and address them before the components reach the final inspection stage of the process, reducing downtime and improving operational efficiency at the manufacturing plant.
What if we could make the manufacturing of large industrial equipment such as complex airplane parts more efficient and potentially improve the safety of the aviation industry? This project will create “virtual reality”, or digital twins, of two specific production lines for complex aircraft parts. This will allow students at the University of British Columbia to visualize and experiment with cyber physical factory/process design and will enable rapid prototyping and real-world scenario-based learning in a live production environment.

Imagine being able to quickly diagnose deadly skin cancer by simply taking a photo. One in six Canadians will develop some form of skin cancer during their lifetime. However, Canada, like many nations, faces a severe shortage of dermatologists. This leads to wait times of six months or more, often longer in rural areas. Meanwhile, Melanoma can progress rapidly. The sooner skin cancer is diagnosed and treated, the more likely the patient is to survive. For example, within six months, a skin cancer patient’s survival rate can drop from 80% to 15%. This project will improve access and reduce wait times by giving physicians AI intelligence-powered diagnostic tools that analyze and share dermatology and pathology data, meaning patients will get faster, life-saving care, no matter where they live.
One of the biggest challenges and most meaningful opportunities in the health care system is determining an effective way to collect, protect, secure, access and use health and genetic data to better inform patient care and medical research. This proof of concept project will bring together patient medical data, including genetic information, in a secure way on a comprehensive platform with the potential to significantly improve the patient experience and health outcomes.

Pharmacogenetics is the study of how our genes affect the way our bodies metabolize medications. With a cheek swab and pharmacogenetic technology, physicians and pharmacists can determine for each patient the right medication and dosage for any of the 900+ most commonly prescribed medications. Through the leveraging of this technology, physicians and pharmacists will be able to prescribe the right medication, in the right dosage, at the right time. This will increase medication effectiveness, improve patient outcomes and reduce harmful and costly negative drug reactions/interactions.
Our first year focused on building a strong foundation for our operations, building relationships and launching our first call for projects. With the support of our Board, Members, Associates and others, we:

- Established Canada's Digital Technology Supercluster and executed the Contribution Agreement with the Government of Canada.
- Secured our initial membership, including the BC Government and the financial commitments to match the Government of Canada's contribution.
- Developed and implemented processes for collaborative project design.
- Selected the first Technology Leadership projects.
- Launched Cycle 2 Technology Leadership and Capacity Building pilot programs.
- Established the leadership team and filled key operational, membership and strategic roles. In the year, senior employees were paid the following compensation ranges: Officers: $80,000 - $350,000; Vice-Presidents: $115,000 - $180,000.
- Created the governance frameworks, policies and Board processes and committees, including the development of a board approved data strategy which includes steps to be taken to protect network and data security in the coming years.
- Established and promoted the Supercluster’s values and culture, particularly around diversity and inclusion.
- Established strong relationships with our Members and Board of Directors.
- Engaged stakeholders from across BC, Canada and beyond through outreach and workshops.

As we look forward to our next year, our priorities will be to:

- Grow the Supercluster investment portfolio through our Technology Leadership and Capacity Building programs.
- Build ideation and strategic foresight capabilities that lead to bold, transformative projects and support the achievement of key milestones in our approved projects.
- Build an engaged member community through increased participation in projects and support for world-class proposal teams and compelling project concepts.
- Support the scale-up of SMEs and job creation by connecting companies with customers and markets through our projects.
- Scale-up and optimize our organization by establishing a core team, implementing systems and refining operating policies and procedures.
- Create a leadership brand and culture to cultivate a diverse mix of talent that includes women, Indigenous peoples and staff from around the world.
ACKNOWLEDGMENTS & CORPORATE INFORMATION

Thanks to our Funders
Canada’s Digital Technology Supercluster thanks its funding partners including the Government of Canada through the Innovation Supercluster Initiative and funding commitments made by our initial members.

Acknowledgements
We also thank all those who assisted in developing this annual report, including Canada’s Digital Technology Supercluster team, our Board, Members and Associates, Switchboard PR and The West Harbour digital agency.

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Microsoft

Johanne Senécal
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Board of Directors
Andrée Gagnon
Associate General Counsel
Microsoft

Anthony Brown
Chief Executive Officer and Co-Founder
AMP3 Game Technologies

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Observers
Silas Brownsey
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BC Government

Éric DAGENais
Assistant Deputy Minister
Innovation, Science and Economic Development Canada

In Memoriam
Vikram Jandhyala
Vice President for Innovation Strategy
University of Washington Technology

Leadership Team
Sue Paish
Chief Executive Officer

Bill Tam
Co-Founder & VP, Business Development
and Partnerships

Evgenui Loukipoudis
Chief Technology Officer

Gina Arsens
Chief Financial Officer

Karen McClure
President, Project Management and
Implementation

Suzanne Gill
Vice President, Government Relations & Public Affairs

Shawn Gervais
Director, Strategic Foresight

Legal Counsel
McCarthy Tétrault LLP
Vancouver, BC

Auditor
PwC
Vancouver, BC
To the Members of 10793574 Canada Association Operating as “Canada’s Digital Technology Supercluster”

Independent Auditor’s Report

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of 10793574 Canada Association, operating as “Canada’s Digital Technology Supercluster,” (the Entity) as at March 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Entity’s financial statements comprise:

• The statement of financial position as at March 31, 2019;
• The statement of operations and changes in net assets for the year then ended;
• The statement of cash flows for the year then ended; and
• The notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Comparative information

The comparative information as at and for the period ended March 31, 2018 has not been audited.
**Other information**

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor’s report thereon, included in the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

**Auditor’s responsibilities for the audit of the financial statements**

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 generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Auditor’s responsibilities for the audit of the financial statements cont.**

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

- Identify and assess the risks of material misstatement of the 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 Entity’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity’s ability to continue as a going concern. If 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

/s/ PricewaterhouseCoopers LLP
Chartered Professional Accountants

Vancouver, British Columbia
July 24, 2019
## Statement of Financial Position

**As at March 31, 2019** (expressed in Canadian dollars)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3,480,572</td>
<td>-</td>
</tr>
<tr>
<td>Program management fees and other receivables (note 5)</td>
<td>241,013</td>
<td>230,957</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>36,089</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>3,757,674</td>
<td>230,957</td>
</tr>
<tr>
<td>Capital assets</td>
<td>43,315</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>3,800,989</td>
<td>230,957</td>
</tr>
<tr>
<td><strong>Liabilities and Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>517,666</td>
<td>90,197</td>
</tr>
<tr>
<td>Deferred contributions (note 6)</td>
<td>1,381,927</td>
<td>140,760</td>
</tr>
<tr>
<td><strong>Deferred contributions</strong></td>
<td>1,899,593</td>
<td>230,957</td>
</tr>
<tr>
<td>Deferred contributions for future project expenses (note 6)</td>
<td>1,790,000</td>
<td>-</td>
</tr>
<tr>
<td>Deferred capital contributions (note 6)</td>
<td>111,396</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>3,800,989</td>
<td>230,957</td>
</tr>
</tbody>
</table>

## Statement of Operations and Changes in Net Assets

(Expressed in Canadian dollars)

**Year Ended March 31, 2019**

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Release of ISED funding – corporate programs and management (note 6)</td>
<td>1,012,855</td>
<td>-</td>
</tr>
<tr>
<td>Member program management fees (note 6)</td>
<td>2,067,342</td>
<td>68,030</td>
</tr>
<tr>
<td>Other revenue (note 7)</td>
<td>191,996</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>3,272,193</td>
<td>68,030</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate programs and management</td>
<td>2,550,049</td>
<td>54,150</td>
</tr>
<tr>
<td>Technology program</td>
<td>669,462</td>
<td>11,210</td>
</tr>
<tr>
<td>Capacity building</td>
<td>52,682</td>
<td>2,670</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>3,272,193</td>
<td>68,030</td>
</tr>
<tr>
<td><strong>Excess of revenues over expenses, being changes in net assets</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Approved by the Board of Directors.

/s/Eduardo De Martin, Director  /s/Rob Gough, Director

The accompanying notes are an integral part of these financial statements.
Canada's Digital Technology Supercluster (operating as "Canada's Digital Technology Supercluster")

STATEMENT OF CASH FLOWS

<table>
<thead>
<tr>
<th></th>
<th>YEAR ENDED MARCH 31, 2019</th>
<th>PERIOD FROM MARCH 15, 2018 (DATE OF INCEPTION) TO MARCH 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>(Unaudited)</td>
<td>(Unaudited)</td>
</tr>
<tr>
<td>CASH PROVIDED BY (USED IN)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess of revenues over expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items not involving cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Release of deferred contributions related to future expenses (note 6)</td>
<td>(3,077,218)</td>
<td>(68,030)</td>
</tr>
<tr>
<td>Amortization of deferred contributions related to capital assets (note 6)</td>
<td>(2,979)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>(3,080,197)</td>
<td>(68,030)</td>
</tr>
<tr>
<td>Contributions received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ISED funding</td>
<td>1,497,760</td>
<td>-</td>
</tr>
<tr>
<td>Member program management fees</td>
<td>2,995,000</td>
<td>-</td>
</tr>
<tr>
<td>Member advance for future technology leadership programs</td>
<td>1,790,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>6,222,760</td>
<td>-</td>
</tr>
<tr>
<td>Change in operating assets and liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member program management fees receivable</td>
<td>10,957</td>
<td>-</td>
</tr>
<tr>
<td>Other receivables</td>
<td>(21,013)</td>
<td>-</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(36,089)</td>
<td>-</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>427,469</td>
<td>68,030</td>
</tr>
<tr>
<td></td>
<td>381,324</td>
<td>68,030</td>
</tr>
<tr>
<td>Investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of capital assets</td>
<td>3,523,887</td>
<td>-</td>
</tr>
<tr>
<td>Increase in cash and cash equivalents</td>
<td>43,315</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents – Beginning of year/period</td>
<td>3,480,572</td>
<td>-</td>
</tr>
<tr>
<td>Cash and cash equivalents – End of year/period</td>
<td>3,480,572</td>
<td>-</td>
</tr>
</tbody>
</table>

NOTES TO FINANCIAL STATEMENTS

March 31, 2019 (expressed in Canadian dollars)

1. Operations

Canada's Digital Technology Supercluster (the Digital Supercluster or the Organization) collaborates with member organizations to facilitate and fund projects that develop digital products and platforms to transform industries and propel the economic growth of Canada. The key objectives of the Organization are:

a) To engage digital technology companies from across the spectrum of start-ups, small and medium enterprises, large companies, multinationals, large industry adopters, post-secondary institutions, and research institutions to address digital challenges by collaborating to create products and platforms that will position Canada as a global leader in digital enterprises and data-driven economies.

b) To create a critical mass of world-leading digital technology companies that develop innovative products, platforms, and processes.

c) To transform Canada's industries through the digitization of business, prioritizing industry-specific needs, and delivering productivity gains and competitive advantages at the firm and industry levels.

d) To grow the economic benefits for the region and for Canada by generating new companies, scaling existing firms, enabling performance improvements in Canada's sectors of strength, and positioning Vancouver as a global hub for digital technology innovation.

On March 15, 2018, conditional approval was provided by the Minister of Innovation, Science and Economic Development (ISED) to receive funding under the Innovation Supercluster's Initiative, which established the date of inception for the Digital Supercluster. The Digital Supercluster was incorporated as 10793574 Canada Association (operating as "Canada's Digital Technology Supercluster") on May 22, 2018 under the Canada Not-for-Profit Corporations Act and is exempt from income and capital taxes. Final approval for funding was obtained on November 26, 2018 with the signing of the Contribution Agreement between the Digital Supercluster and ISED.

ISED Contribution Agreement

With the signing of the Contribution Agreement, ISED committed to fund the Digital Supercluster for eligible program and project costs over a five-year period commencing in fiscal year 2018/19. Under the terms of the agreement, ISED will provide a non-repayable contribution to the Digital Supercluster.
for 75% of eligible internal program costs that do not exceed 15% of the total contribution, and 100% of eligible project costs. The total is not to exceed the lesser of $152,843,759 or 100% of total Industry Matching Funds obtained by the Organization over the five-year period. The maximum amount of ISED contributions for each fiscal year is $10,699,063 for fiscal year 2018/19, and $35,536,174 for each of the following four fiscal years. The annual amounts may be reallocated to other fiscal years within the five-year period with the written approval from the Minister of ISED.

Digital Supercluster membership
The Digital Supercluster has engaged with a range of industry market participants who provide annual funding commitments through membership agreements with the Organization. The total annual funding commitment (Industry Matching Funds) is based on the agreed-upon membership class. A portion of the annual commitment is allocated to program management fees for corporate programs and management, capacity building, and technology leadership programs. This portion is approved annually by the Organization’s Board of Directors and invoiced on an annual basis. Program management fees are considered restricted contributions and are recognized as costs are incurred. The Digital Supercluster seeks to achieve its objectives through collaborative projects with its members over four program streams outlined in the Contribution Agreement that directly enhance the productivity, performance and competitiveness of member firms. The four program streams include:

a) PRECISION HEALTH: This program stream is focussed on data driven innovations that enable the delivery of precision health services and technology.

b) DIGITAL TWINS: This program stream supports the development and demonstration of industrial cyber-physical systems that will enable step-change improvements in Canadian productivity.

c) DATA COMMONS: This program stream supports opportunities to aggregate data resources from multiple stakeholders into shared platforms to securely exchange, explore and learn how to develop data-driven applications.

d) CAPACITY BUILDING: This program stream will broaden the region’s existing talent base and grow a deep and diverse digital technology talent pool, with a strong focus on promoting the increased participation of women and underrepresented groups.

2. Basis of presentation
These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations (ASNPO) in Part III of the Chartered Professional Accountants of Canada (CPA Canada) Handbook. The financial statements are prepared on a going concern basis.

3. Significant accounting policies
Deferred contributions and revenue recognition
The Organization follows the deferral method of accounting for contributions.

a) RESTRICTED CONTRIBUTIONS: Funding from ISED and member program management fees are considered restricted for the purpose of providing funding to eligible recipients for future technology leadership programs, capacity building programs, and the payment of the Digital Supercluster operating and capital expenditures. Restricted contributions for expenses of a future period are recorded as deferred contributions and recognized as revenue in the year in which the related expenses are incurred. Investment income earned on deferred contributions is recognized in the period in which it is earned. Deferred contributions related to capital assets represent amounts received specifically for the purpose of purchasing capital assets. Restricted contributions related to the purchase of capital assets are deferred and recorded as revenue over the same period the related asset is amortized.

b) IN-KIND CONTRIBUTIONS: In-kind contributions represent donated services and are recorded in the period they are received at fair market value with a corresponding in-kind expense for the same amount.

Use of estimates
The preparation of financial statements in accordance with ASNPO requires management to make certain estimates and assumptions that may affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents
Cash and cash equivalents consist of cash balances, call deposits, and investments that are convertible to cash or that have original maturities of three months or less.

Capital assets
Capital assets are recorded at cost less accumulated depreciation. Capital assets are depreciated on a straight-line basis over their estimated useful lives as follows:

COMPUTER EQUIPMENT: 3 years

4. Cash and cash equivalents
Cash and cash equivalents include a $1.79 million member advance restricted for the funding of technology projects. The amount is recorded as a deferred contribution and will be used to fund future technology projects.
5. Program management fees and other receivables

Program management fees represent a percentage of a member’s annual commitment that is paid to the Digital Supercluster restricted to fund general operations and capacity building expenses in excess of what is funded by ISED. Amounts are invoiced and due at the beginning of the fiscal year. Amounts are deferred and recognized as expenses are incurred. As at March 31, 2019, $220,000 was invoiced but not yet received from members. Other receivables as at March 31, 2019 totalled $21,013. As at March 31, 2018, an amount of $230,957 was due to the Digital Supercluster, representing net cash contributions that were received and managed by BC Tech Corporation prior to the incorporation of the Digital Supercluster.

6. Funding and deferred contributions

Deferred contributions represent unspent contributions restricted for specific purposes and projects, and include expenses for operating as well as capital purposes.

   a) DEFERRED CONTRIBUTIONS - CURRENT

Deferred contributions – current represent unspent member program management fees, ISED funding for internal program costs, and a contribution from the Province of BC for internal program costs and capacity building. The amounts are recognized as revenue in the period the related expense is incurred, which is expected to be within one year.

![Table]

<table>
<thead>
<tr>
<th></th>
<th>2019 $</th>
<th>2018 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance – Beginning of year/period</td>
<td>140,760</td>
<td>208,790</td>
</tr>
<tr>
<td>ISED funding advance</td>
<td>1,323,385</td>
<td>-</td>
</tr>
<tr>
<td>Member program management fees</td>
<td>2,995,000</td>
<td>-</td>
</tr>
<tr>
<td>Amounts recognized as revenue during the year/period</td>
<td>4,499,145</td>
<td>208,790</td>
</tr>
<tr>
<td>(3,077,218)</td>
<td>(68,030)</td>
<td></td>
</tr>
<tr>
<td>Balance – End of year/period</td>
<td>1,381,927</td>
<td>140,760</td>
</tr>
</tbody>
</table>

7. Other revenue

In-kind contributions are offset by the recording of an in-kind expense for a net impact to the statement of operations of $nil.

8. Project commitments

As of March 31, 2019, seven technology projects have had their preliminary budgets approved by the Board of Directors for funding. As of March 31, 2019, the Organization is working with the industry project teams to finalize the Master Project Agreements and final budgets for approval by the Digital Supercluster.