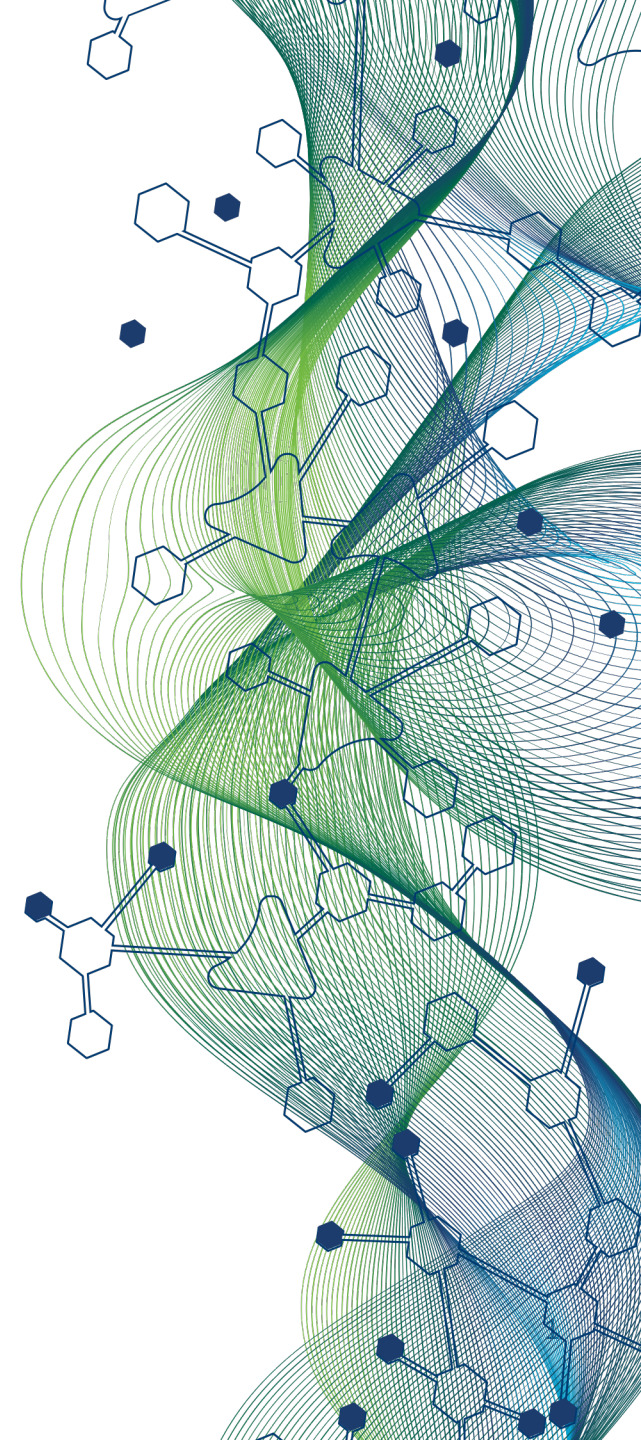


Alberta Innovates Global Partnerships Programs

Information Session

January 22 & 24, 2020



Alberta – Mexico International Technology Partnership (ITP) Program

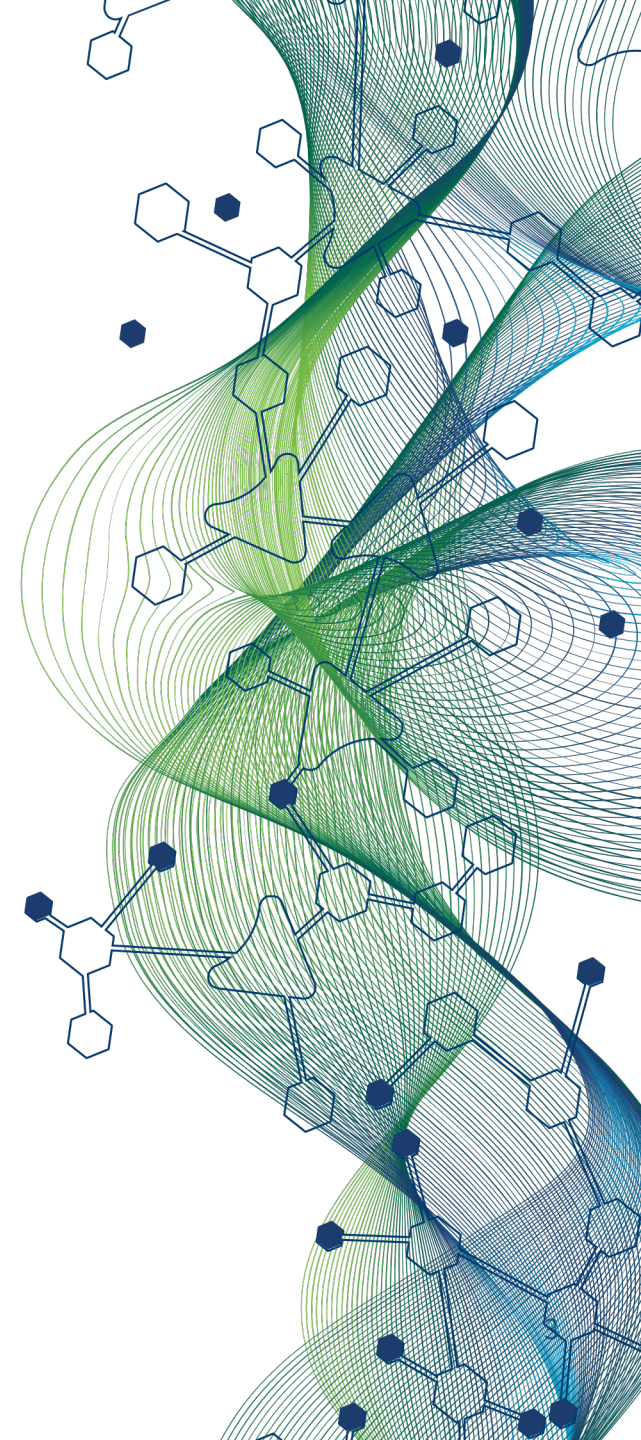
Round 9 – Jalisco

Round 2 – Nuevo Leon



Alberta Innovates (AI), COECYTJAL and the Secretaria de Economia y Trabajo reserve the right to alter information, including modifying program availability, program length, funding, policies or procedures at any time. Such changes could be dictated by external partner, funding or other reasons deemed necessary.

Program participation does not endorse any company, product or service and does not validate technology or market acceptance. Programs are competitive in nature and companies are expected to have performed due diligence on technology and market acceptance that demonstrates solid business planning and strategy. AI does not accept any liabilities for company participation in this program in any way.



Alberta – Mexico Program Background

- MoUs signed between the Government of the State of Jalisco, the Government of the State of Nuevo Leon, Mexico and with the Government of Alberta.
- The Programs are designed to provide opportunities for Alberta and Mexican regional SME's to; collaborate in technology development leading to commercialization opportunities; and provide mutual benefit to both regions.
- Participating companies have benefited from participation in the program and have increased market, revenue, products and services.
- Program success linked to strong upfront company matching and hands-on approach to relationship building.
- Over 75% of working partnerships have continued over the eight years in Jalisco.



Jalisco



i

- Capital: Guadalajara
- Municipalities: 124
- Population: 7,965,828 inhabitants
- % of national population: 6.6
- Territorial surface: 78,599 km²
- % of surface of the country: 4
- % share in national GDP: 6.5
- Sector with the highest contribution to state GDP: Wholesale and retail trade (20.7%)

The Guadalajara Metropolitan Area is considered the city with the highest investment attraction potential in Mexico. It is also ranked fifth among the best cities of the future and the second city in terms of economic potential in North America. Jalisco has 12 state universities, 14 technological institutions and 590 job training centers; therefore, investors can count on a world-class, qualified workforce.

Nuevo Leon



i

- Capital: Monterrey
- Municipalities: 51
- Population: 4,256,452 inhabitants
- % of the national population: 4.2
- Territorial extension: 64,555 km²
- % of area of the country: 3.3
- % of national GDP contribution: 7.4
- Sector with greater contribution to state's GDP: Manufacturing industries (24.3%)

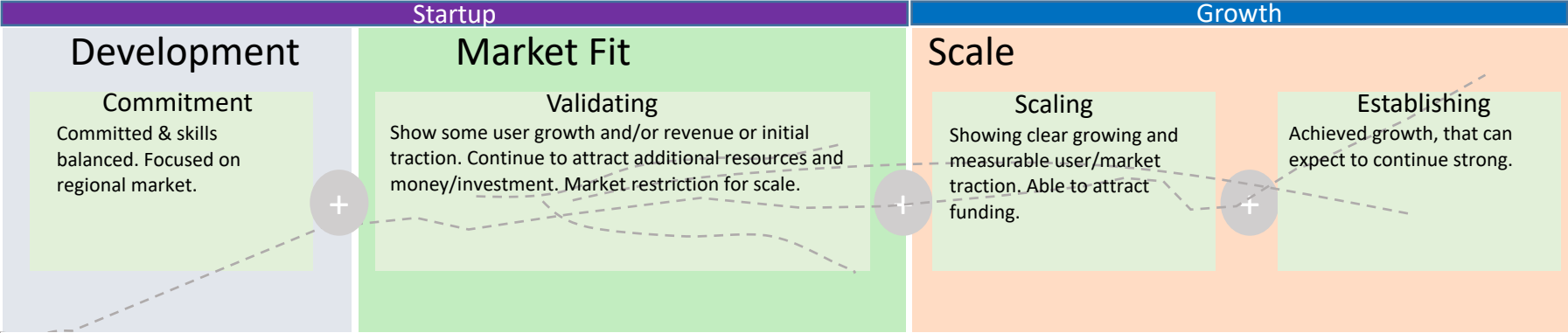
Nuevo León is a frontier state that has the ideal logistics location for doing business in the North American market. Its dynamism, labor productivity and industrial diversity have attracted more than 2,200 foreign firms to the following sectors: metal mechanic, home appliances, automotive, information technologies and aerospace, among others. Ten of the twenty leading companies in Mexico are headquartered in Monterrey, as well as three of the most renowned universities in Latin America.

Alberta – Mexico Program Benefits

- Collaborative technology development or technology demonstration – non-competitive environment
- “Soft landing” for international commercialization
- Funding de-risk for technology and commercialization development
- Established pilots in discrete environments
- Long-term business partnerships that extended market access
- Quality human resources and highly qualified people
- New capital sources for growth
- Alternative markets to guard against regional trends



Program Benefits - SME Technology Development

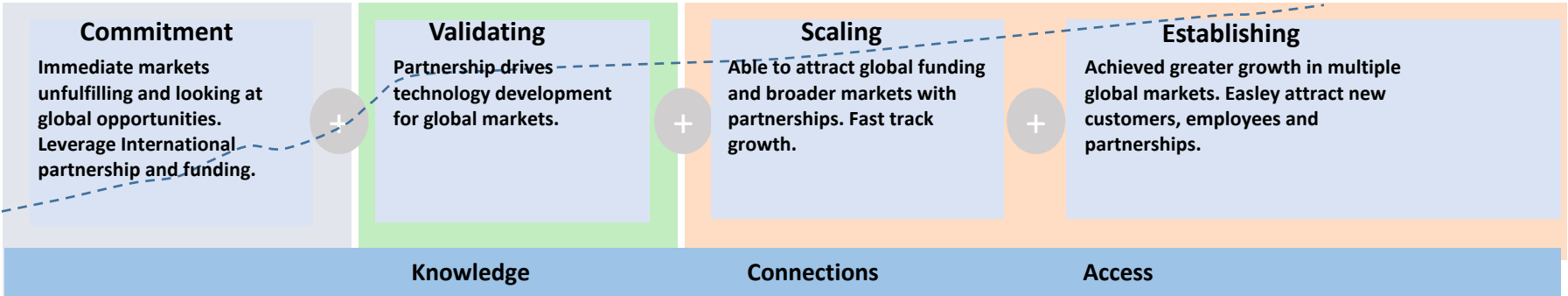


National Market Entry

Is the market big enough?
Do you have available skills?
Do you have to pivot to go global?

Single market timeline – estimated 10-12 years

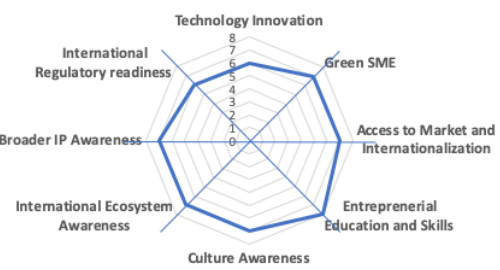
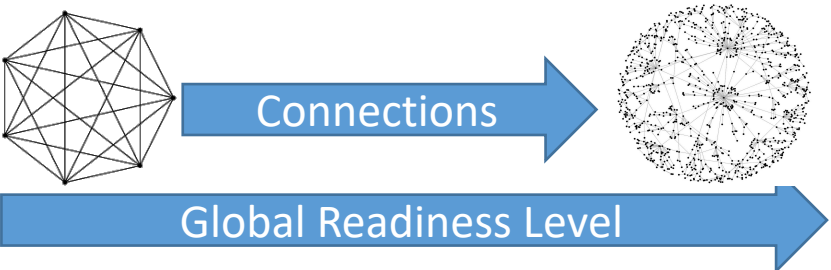
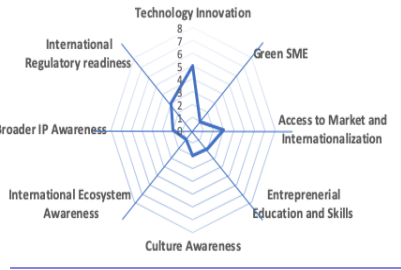
Global Programs market timeline – estimated 3-6 years



Global Market Entry

Global Partnerships

Leveraging partnerships for technology development and innovation can significantly shorten your product development timeline and immediately place you in growing markets.



Typical single market execution SME

Global Partnerships Programs technology development

Global Partnerships Benefits

Good news stories – R6 Jalisco

Robogarden & Netica (teaching coding by using robotics)

- Digitally, the platform has more than 226,000 monthly unique visitors from over 175 countries.
- Won several awards and acquired international recognition such as Top 50 Globally at Startup Grind (Google startup program) out of 76,000 global participating startups.
- RoboGarden was a finalist at the 2018 Global Educational Supplies and Solutions Award's most innovative product category.
- RoboGarden now is negotiating partnerships in six additional territories, with current distribution partners in 12 countries across five continents. We anticipate future distribution in an additional 27 countries.



AirMarket & CartoData (Drone tracking and registration system)

- We have secured 2 significant and long-term contracts that account for \$100k in revenue for FLYSAFE. We are finalizing contract / testing by RMCP valued at >\$500k.
- We have secured strategic alliances with TELUS and Thales.
- We have established a thought leadership position within the Canadian Unmanned Traffic Management sector and prominent influencer in the development of RPAS / UTM regulations.
- We have secured 6 letters of Intent from O&G Majors for our pending Energy UTM Trials to be conducted in Alberta.



Alberta – Jalisco Program - to date

- Program in 9th round
- 75% of the partnerships still in existence
- Over 500 jobs created
- 60 companies involved
- 29 projects completed (1.6% failure rate)
- \$22mm CDN contributed to the economies

Alberta – Jalisco Program

Round 8 awardees

Clinisys & Global Opportunity Consulting. – Project value \$992,000

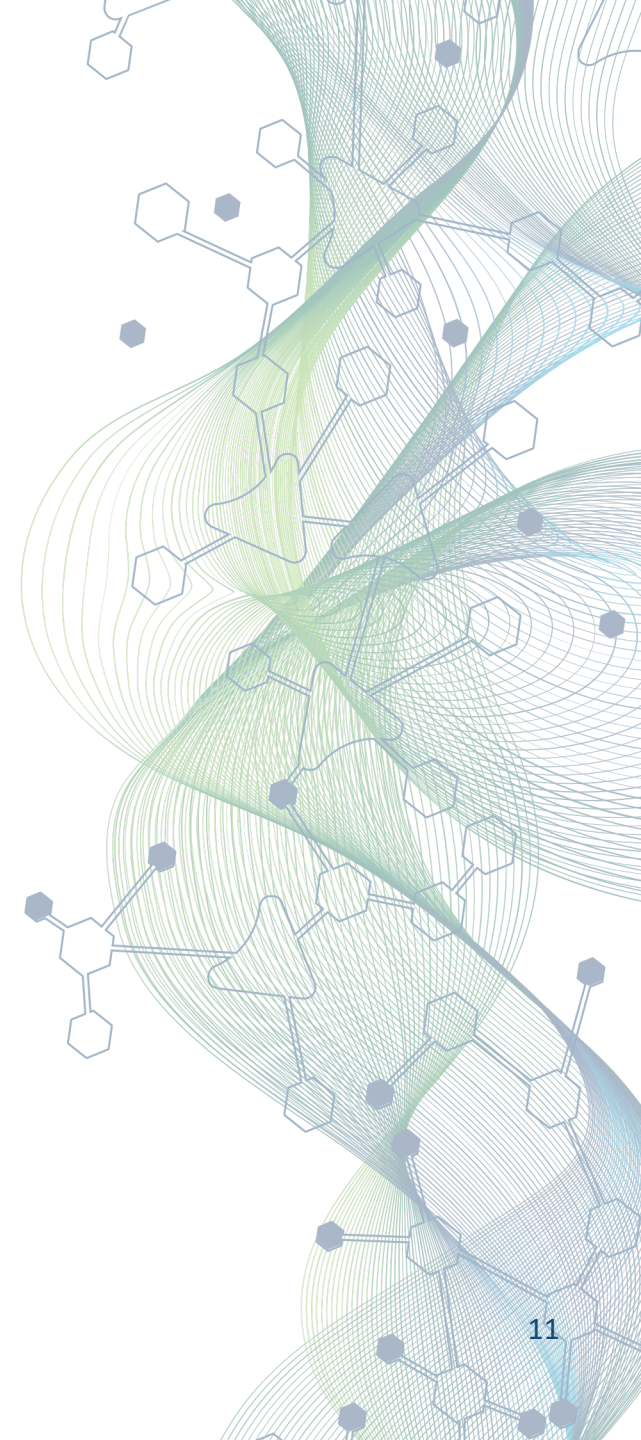
Project: Prototype *Tele-Clinic Solution* embedded in the Clinica Salutek in Zapopan and the Puerto Vallarta Hospital.

Mastrin Digital & GIS Tecnologias. - Project value \$1,000,000

Project: Development of SmartAgricos, a comprehensive platform powered by state-of-the-art technologies incorporating IoT, Artificial Intelligence and Data Analytics, providing intelligence to help farmers .

Symbiotic Envirotek & Creamos Mas. - Project value \$848,000

Project; The proposed project would demonstrate the capability of Symbiotic EnviroTek's Algae Cultivation System to remediate tequila vinasse wastewater, produce clean water and creating valuable algal biomass.



Round Eligibility

Eligible projects include the following criteria;

- Participating companies must be a Small or Medium Enterprise (SME) with less than 500 employees (<\$50m revenue);
- All projects must include proponents from either Jalisco or Nuevo Leon and Alberta;
- Each project must have a minimum of one industry partner from each jurisdiction with an interest in commercializing the technology;
- Projects must demonstrate “state-of-the-art” technology.



Round Priority Areas of Technology

- ICT (Mobile, Security, IoT, Data Analytics, Interactive Digital Media, Artificial Intelligence, Robotics)
- Life Science (e-personal health, e-health, e-agriculture)
- Clean Technologies (Environmental tech, Green tech, Renewables)



Stages of Activity

Project opportunities may include the following stages of activity on a path to commercialization:

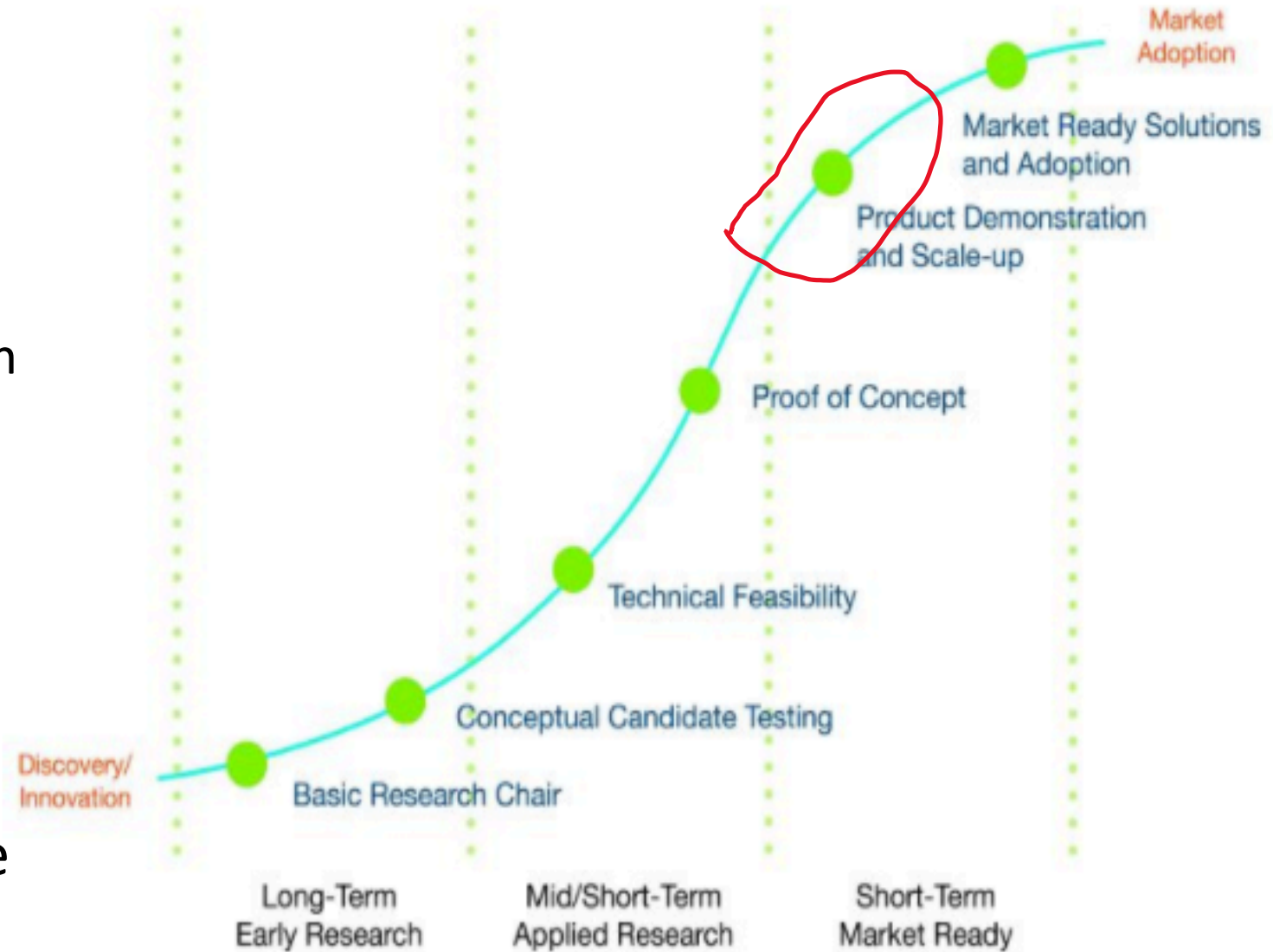
- Technology Development leading to Commercialization;
- Technology demonstration.



Stages of Activity

The Innovation Curve:
Illustrates the Alberta Innovation
System from Basic Research to
Applied Research and
Commercialization

The Alberta/Mexico
programs target specific
areas of the Innovation Curve



Program Exclusion

- Projects of a pure research nature or those that do not have the potential for commercialization, including patents;
- Projects not within the specified program areas are out of the scope of this program
- Delivery of materials in languages other than English;
- Projects last longer than two years;
- Companies not pre-approved by COECYTJAL, Secretaria de Economia y Trabajo or Alberta Innovates prior to application.



Project Funding

- Alberta; Industry Investment must be at least 50% ($\frac{1}{2}$ cash and $\frac{1}{2}$ in kind) to a maximum of \$250,000
- Matched by Alberta Innovates up to \$250,000
- Nuevo Leon; Industry Investment must be at least 50% ($\frac{1}{2}$ cash and $\frac{1}{2}$ in kind) to a maximum of \$250,000
- Jalisco; Industry Investment to a maximum of \$250,000 cash
- Matched by COECYTJAL or Secretaria de Economia y Trabajo up to \$250,000



Eligible Costs – Cash

The cash investment by the company/consortium must be incremental actual expenditures that can be clearly identified and are directly applicable to the project. The following are eligible cash expenditures:

- **Salary of New Hire Employees:** Eligible only if the employee was recently hired to enable the company to do the project.
- **Professional Fees:** The amount should be according to the respective Program Director Agreement and supported by invoices.
- **Contractor Costs:** Should be accompanied by a contractor's direct invoice for the time worked on the project.
- **Travel and Travel Expenses:** Must be reasonable and directly related to the project and supported by receipts.
- **Equipment and Materials Expense:** Only eligible if acquired for the project and directly supporting the project.
- **Training:** Must be needed, reasonable, directly related to the project and supported by receipts.



Eligible In-Kind Investment

The in-kind investment by the company/group must be clearly identifiable and directly applicable to the project. The following are eligible cash expenditures:

- **Salary:** Employee time spent on the project is eligible as in-kind. The amount should not exceed the amounts on payroll ledger and should be supported by timesheets/time records where necessary. Salary paid to the employee may be marked-up by up to 15% for company paid benefits (EI, CPP, RSP, insurances).
- **Contributions:** Only eligible if the contributions are a tangible benefit to and directly support the project.
- **Operating Expenses:** Only eligible if incremental and directly supporting the project. Must be traceable and can be supported by suppliers' invoices, contracts and/or any suitable documentation.
- **Equipment Asset Depreciation:** Equipment asset depreciation may be eligible if directly applicable to the project and incurred because of the project.



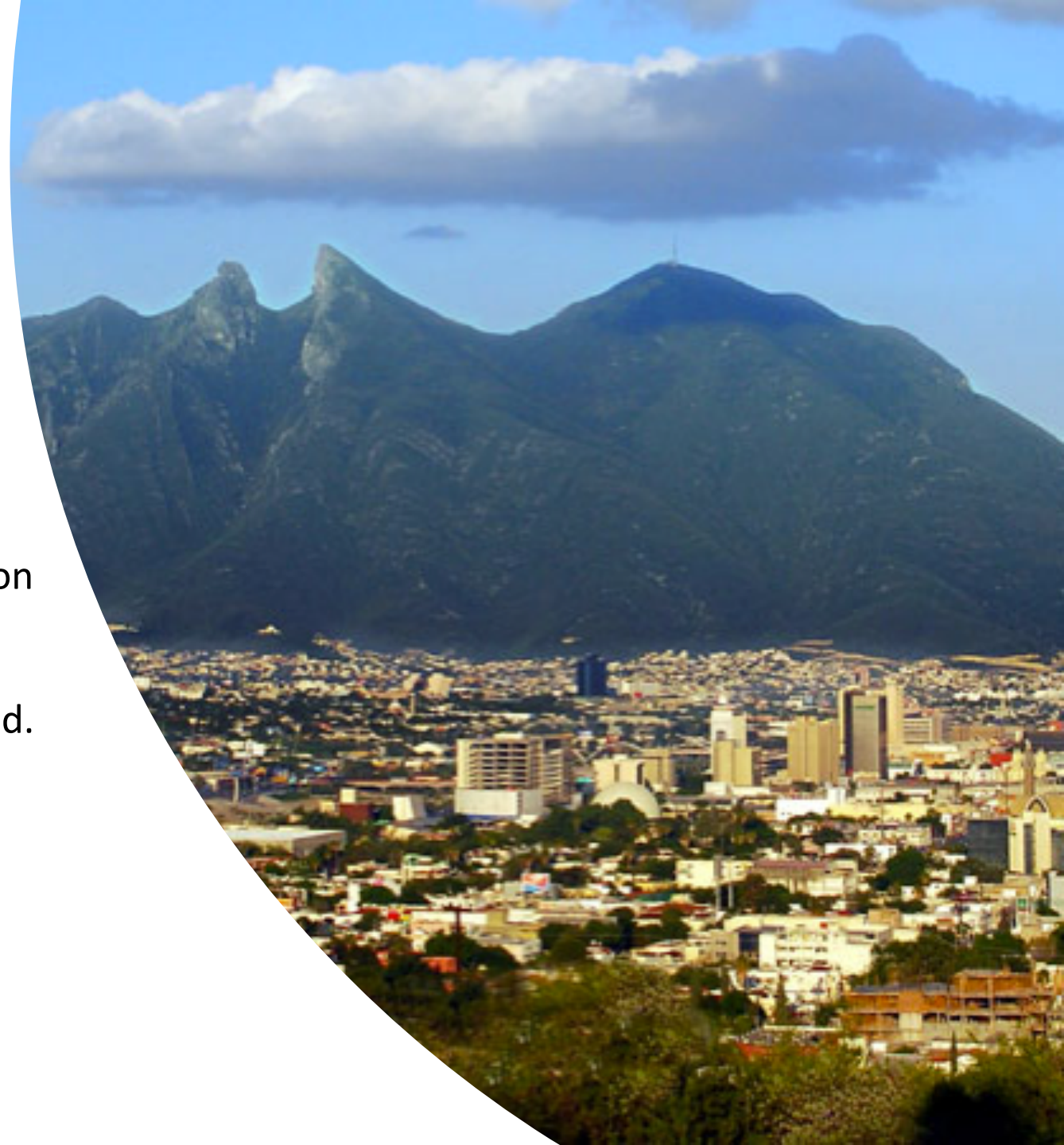
Non-Eligible Costs and In-Kind

- Costs which have been or will be funded by other government programs are not eligible.
- Tax is usually not eligible and must be removed from the claim except for items where the tax portion is not identifiable. If the tax paid is eligible for ICT (Input Tax Credits) then it is not eligible.
- Costs for duplication of infrastructure (access to facilities, equipment and services) are not eligible.



Project Evaluation

- Strength of Business Plan & Market Plan
- Technology excellence
- Understanding of the market
- Minimum of one industry player in each jurisdiction who has an interest in commercializing the technology
- Identify how Intellectual Property will be managed.
- “First Customer” is highly desirable
 - (A “First Customer” is defined as a first “potential” customer engaged to help define market need and validate functionality)

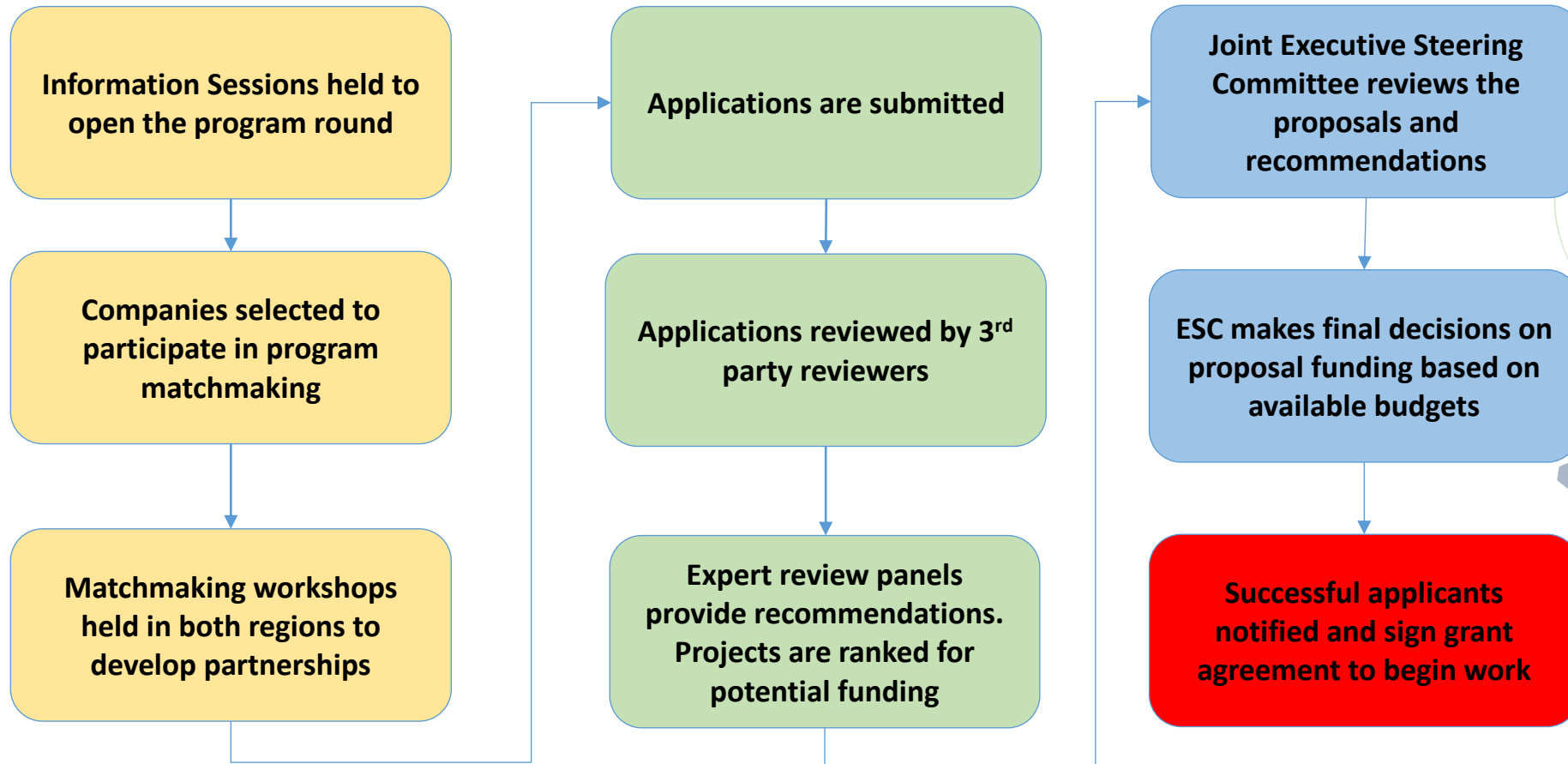


Program Criteria

- Eligible projects must be selected by Executive Steering Committee;
- Selected companies must enter into a legal agreement with Alberta Innovates, Secretaria de Economía y Trabajo or COECYTJAL;
- SMEs must provide each jurisdiction with information on measurable economic benefits, including jobs, revenue and investment;
- Participants must have a minimum of 4 face-to-face meetings over the term of the project;
- Companies must have addressed intellectual property (IP) rights;
- Projects must provide status update five years past funding on commercialization and relationships.



Program Process



Next steps

- Determine your eligibility for the program
- Fill out and send us your **Expression of Interest** by Jan 30th 2020
- Describe your company, potential project and type of partner
- AI works with Secretaria de Economia y Trabajo and COECYTJAL to find a potential partner
- Regional company profiles shared
- Selection/Participate in workshops in Nuevo Leon & Jalisco/Alberta (workshops mandatory to apply, with limited travel subsidies available)
- 15 min pitch presentation to introduce your company and project
- Meet F-to-F and select an appropriate partner from Nuevo Leon and Jalisco
- Outline business objectives and discuss IP
- Submit a joint competitive application



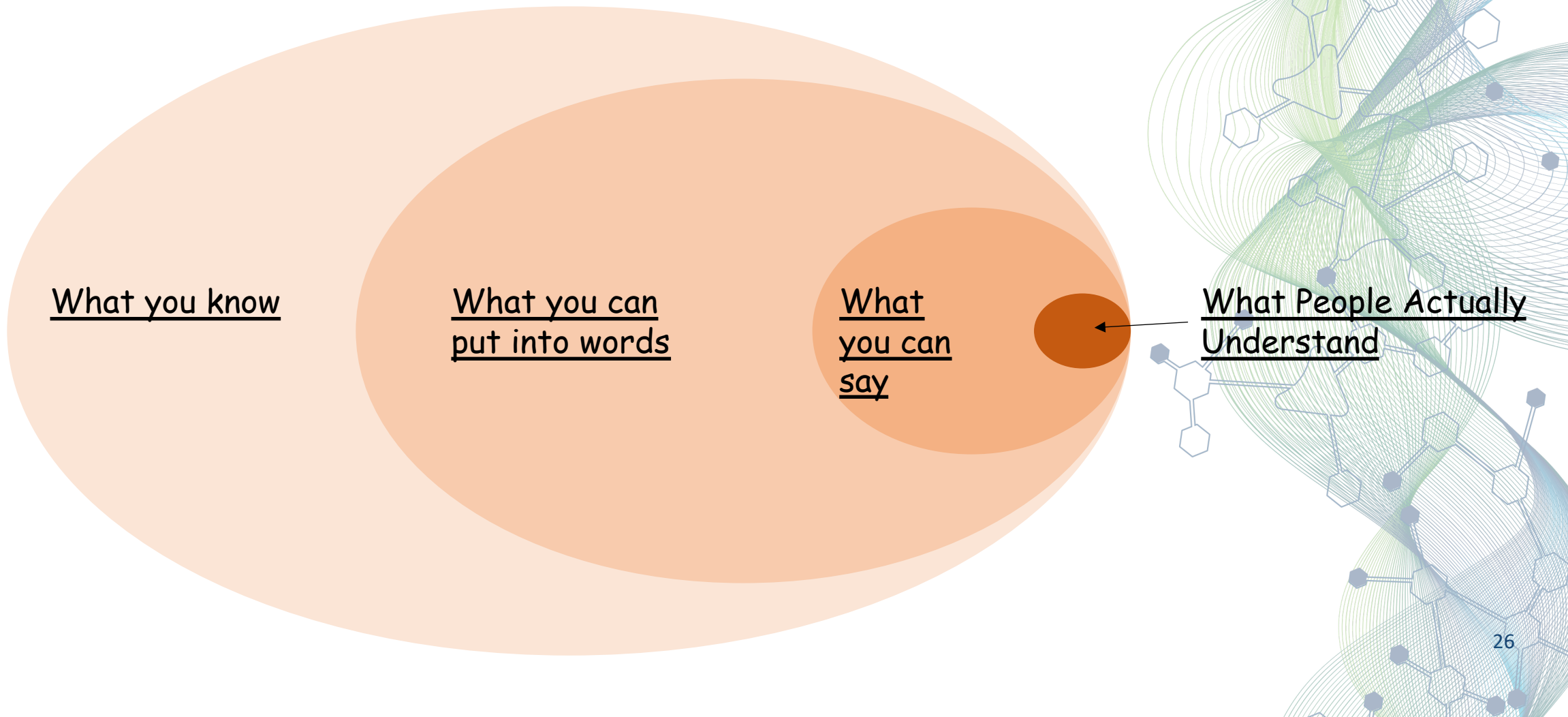
Company presentation for workshops

- "Pitch" to find partner
 - What problem are you trying to solve (What customer problem will you solve?)
 - What is your Solution (What is your project?)
 - What is your Value proposition (Why should customers buy your stuff?)
 - What is your target Market (B-B, Industry Segment, Nuevo Leon or Alberta?)
 - What Technology do you use (S/W, H/W, Manufacture, etc.?)
 - What is your anticipated go-to-market strategy (Alberta/Mexico/Beyond?)
 - What does your partner look like (Size, capabilities, added value?)



Company pitch presentation

– Keep it simple



Round Timeline

- Information sessions; January 22/24
- Workshops and company matching (mandatory to apply, and limited travel subsidies available)
 - Jalisco/Alberta; February 26 to 27, 2020
 - Alberta/Jalisco; March 25 to 26th
 - Monterrey; TBD (probably March/April)
 - Alberta/Monterrey; TBD
- Jalisco Application forms will be available for download – After March 26th, 2020.
- Joint Applications to be submitted May, 2020



Expression of Interest

Complete

- Company background and overview
- Sector(s)
- Proposed Project
- Type of Partner

By Jan 30th 2020

Jalisco@albertainnovates.ca

NuevoLeon@albertainnovates.ca

Expression of Interest (EOI) - Mexico							
<p>Alberta Innovates' Alberta-Mexico International Technology Partnership Programs are designed to give Alberta SMEs the opportunity to enter into a joint project to develop and commercialize innovative technology with a SME partner in Jalisco or Nuevo Leon, Mexico. The project addresses a defined market need while generating economic and social benefits in both jurisdictions. Please refer to the Program Guides for more information.</p> <p>The Alberta-Mexico International Technology Partnership Programs Application process a three Stage format. To be considered for the Programs, please first complete this Expression of Interest (EOI). If your EOI is approved, you will be invited to attend a Matchmaking Workshop designed to help Alberta SMEs find a suitable partner to participate in future Alberta-Mexico International Technology Partnership Program Rounds. Only SMEs that have participated in the Matchmaking Workshop are invited to submit an Application to the program. Alberta SMEs must be a legally registered company in the province of Alberta to take part in the programs. If you have a potential partner, ask them to register in the Jalisco and/or Nuevo Leon, Mexico.</p> <p>This EOI will be reviewed by experts from any or all of Alberta Innovates and the Mexico Funding Partners in Jalisco and/or Nuevo Leon. The review process will begin only after the complete EOI is received by Alberta Innovates. It is essential that you have read, and that you understand, the applicable Program Guide(s) before completing this EOI.</p> <p>Please email the completed form to either Jalisco (Jalisco@albertainnovates.ca) or Nuevo Leon (nuevoleon@albertainnovates.ca)</p>							
General Information (Non-Confidential)							
Alberta Applicant Legal Entity Name:							
Alberta Applicant Representative:							
Phone Number:							
Email:							
Website:							
Incorporation Date:							
TRL:							
Region of Interest:	<input type="checkbox"/> Jalisco <input type="checkbox"/> Nuevo Leon						
Select at a least one area of expertise:	<input type="checkbox"/> Platform Technologies (Information and Communications Technologies (ICT), Mobile, Sensor, Advanced Data Analytics, Artificial Intelligence (AI), Advanced Manufacturing and Materials (Nano), Robotics)	<input type="checkbox"/> Life Sciences (Biotechnology, Natural Source Health Products, Pharmaceutical and Medical Products)	<input type="checkbox"/> Clean Energy (Clean Tech, Energy-saving and Renewable Energy Technologies)				
	<input type="checkbox"/> Environmental Technologies	<input type="checkbox"/> Energy Technologies (Innovative battery storage, and energy management)	<input type="checkbox"/> Other				
Operational Results		Current -3	Current -2	Current -1	Current Year	Current +1	Current +2
Gross Revenue (\$):							
Number of Full-Time Employee:							
Proposed Project Information							
Provide relevant information that can be shared with our Funding Partner(s) in Mexico to help find a suitable project partner							

<https://albertainnovates.ca/global-partnerships>

Alberta-China International Technology Partnership (ITP) Program

Alberta-China ITP Program Background

Guangdong, Shanghai and Zhejiang

- Supports MOUs with each jurisdiction
 - Agreements between governments and funding agencies to build and growth innovative technology development and business in areas of mutual benefit for all regions.
- Builds collaboration between Alberta and China SMEs in applied research and innovative technology development; leading to future educational labor and commercialization opportunities.
- Enhances business and international relations, grows commerce and trade.
- De-risk market entry with technology development partnerships and leveraged funding.

Guangdong



- **Capital:** Guangzhou
- **Population:** 109.99 million (2016) 8 per cent of China's total population
- **Major Cities in 2015:** Guangzhou (13.9 million); Shenzhen (12 million); Foshan (8.3 million); Dongguan (8.2 million); Zhuhai (1.7 million); and Huizhou (5.3 million)
- In May 2016, the Alberta Ministry of Economic Development and Trade signed a memorandum of understanding (MOU) with the Guangdong Department of Commerce, with a focus on sharing economic and trade expertise and promoting commercial development between the two provinces.
- Alberta and Guangdong collaborative program focus on the priority areas of:
 - ICT (Mobile, IoT, Advance Data Analytics, Security etc.)
 - Clean Energy (Clean Tech, Energy-saving and Renewable Energy Technologies)
 - Energy Storage Technologies (Innovative battery storage, and energy management)
 - Environmental Technologies

Guangdong has the highest GDP in China, at approximately USD \$1.2 trillion (2016), or just over USD \$11,000 per capita. Guangdong has China's largest middle class, and is considered the most internationally oriented and globally linked province. Shenzhen average age is 28 years making up approximately 35.77 percent of the city's population.

Shanghai



- **Population:** 26.3 Million (2019) 8 per cent of China's total population
- **Major Cities:** Shanghai is an Municipality and divided into 16 districts and 3 counties. There are 205 towns, 9 townships, 99 subdistrict committees, 3,278 neighborhood committees and 2,935 villagers' committees in the city.
- In 2016, Alberta Government renewed its MOU agreements with the Shanghai Municipal Commission of Commerce with the aim of building business relationships through new trade and investment partnerships.
- Alberta and Shanghai collaborative program sectors of interest:
 - ICT (Mobile, Sensor, Advance Data Analytics, Security, and Nano)
 - Clean Energy (Clean Tech, Energy-saving and Renewable Energy Technologies)
 - Life Sciences (Biotechnology, Natural Source Health Products, Pharmaceutical and Medical Products)
 - Environmental Technologies

Shanghai has the highest GDP in China. In 2017, Shanghai was the largest city in China. Shanghai is a world finance and cultural center. In the center of Pudong financial district, the Shanghai Tower is the second tallest building in the world at 632-metres, 128-story skyscraper. Shanghai's businesses are thriving and offering new opportunities to China's growing middle class and foreigners looking to enter the Chinese market.

Zhejiang

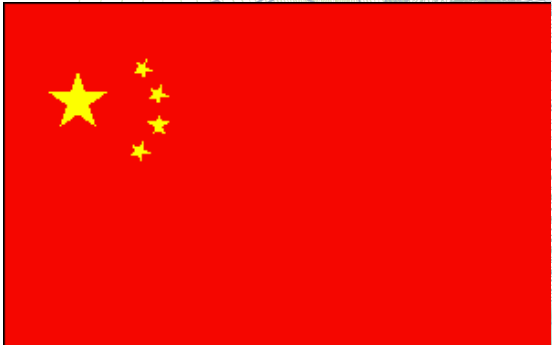


- **Capital:** Hangzhou
- **Population:** 57.37 Million (2018)
- **Area:** 101,800 km²
- **Major Cities:** Shanghai is an Municipality and divided into 16 districts and 3 counties. There are 205 towns, 9 townships, 99 subdistrict committees, 3,278 neighborhood committees and 2,935 villagers' committees in the city.
- Zhejiang has grown to be considered one of China's wealthiest provinces, ranking fourth in GDP nationally and fifth by GDP per capita, with a nominal GDP of CN ¥ 5.62 trillion (US\$849 billion) as of 2018
- In June 2019, Alberta Innovates signed an MOU with the Zhejiang Provincial Science and Technology Exchange Center with Foreign Countries, affirms technological and business co-operation between the two innovation agencies in areas of mutual benefit to both regions.
- Alberta and Zhejiang collaborative program sectors of interest:
 - Health care and pharmaceuticals
 - Bio-economy
 - Clean energy and environmental protection
 - Digital economy

Zhejiang is a leading province in e-commerce, modern logistics and technology services. Alibaba, the world's largest e-business platform, is headquartered in Hangzhou. In 2013, the e-commerce transaction volume in Zhejiang reached about 1,600 B RMB (\$276.8 B CAD). Jianshan Mountain and the West Lake of Hangzhou were added on UNESCO World Heritage List in 2010 and 2011 respectively.

China Technology PRIORITY SECTORS

Technology Priorities	Description	Guangdong	Shanghai	Zhejiang
Clean Energy	Clean Tech, Energy-savings and renewable	X		X
Environmental Technologies	Water, air and land	X		X
Energy Storage Technologies	Innovative battery storage and energy management	X		
Life Sciences	Biotechnology, Natural Source Health Products, Pharmaceutical and Medical diagnostic products		X	X
Platform Technologies	ICT, Mobile, Sensors, Advanced Data Analytics, Advanced Manufacturing and Materials (Nano)	X	X	X



Alberta-China ITP Program



Tentative

- Matchmaking event in Guangdong and Zhejiang
 - Late June 2020
- Expression of Interest by May 22, 2020
- Applications approximately July 6, 2020
- Projects award October 30, 2020

Expression of Interest

Complete

- Company background and overview
- Sector(s)
- Proposed Project
- Type of Partner

By May 1, 2020

ChinaITP@albertainnovates.ca

Expression of Interest (EOI) - China							
<p>Alberta Innovates' Alberta-China International Technology Partnership (ITP) Program is designed to give Alberta SMEs the opportunity to enter into a joint project to develop and commercialize innovative technology with a SME partner in Guangdong, Shanghai or Zhejiang, China. The project addresses a defined market need while generating economic and social benefits in both jurisdictions. Please refer to the Program Guides for more information.</p> <p>The Alberta-China ITP Program Application process has a three Stage format. To be considered for the Program, please first complete this Expression of Interest (EOI). If your EOI is approved, you will be invited to attend a Matchmaking Workshop designed to help Alberta SMEs find a suitable partner to participate in future Alberta-China ITP Rounds. Only SMEs that have participated in the Matchmaking Workshop or approved by Alberta Innovates are invited to submit an Application to the program. Alberta SMEs must be a legally registered company in the province of Alberta to take part in the programs. If you have a potential partner, ask them to register in the Guangdong, Shanghai or Zhejiang, China.</p> <p>This EOI will be reviewed by experts from any or all of Alberta Innovates and the China Funding Partners in Guangdong, Shanghai and/or Zhejiang. The review process will begin only after the complete EOI is received by Alberta Innovates. It is essential that you have read, and that you understand, the applicable Program Guide(s) before completing this EOI.</p> <p>Please email the completed form to: ChinaITP@albertainnovates.ca</p>							
General Information (Non-Confidential)							
Alberta Applicant Legal Entity Name:							
Alberta Applicant Representative:							
Phone Number:							
Email:							
Website:							
Incorporation Date:							
TRL Level:							
Region of Interest:		<input type="checkbox"/> Guangdong <input type="checkbox"/> Shanghai <input type="checkbox"/> Zhejiang					
Select at a least one area of expertise:	<input type="checkbox"/> Platform Technologies (Information and Communications Technologies (ICT), Digital, Sensors, Data Analytics, Advanced Manufacturing and Materials (Nano), Robotics)	<input type="checkbox"/> Life Sciences (Biotechnology, Natural Source Health Products, Pharmaceutical and Medical Products)	<input type="checkbox"/> Clean Energy (Clean Tech, Energy-saving and Renewable Energy Technologies)				
	<input type="checkbox"/> Environmental Technologies (Water, air monitoring technologies)	<input type="checkbox"/> Energy Technologies (Innovative battery storage, and energy management)	<input type="checkbox"/> Other				
Operational Results		Current -3	Current -2	Current -1	Current Year	Current +1	Current +2
Gross Revenue (\$):							
Number of Full-Time Employee:							
Proposed Project Information							
Provide relevant information that can be shared with our Funding Partner(s) in China to help find a suitable project partner							

<https://albertainnovates.ca/global-partnerships/>

Export Readiness Micro-Voucher

Part of the Alberta's Export Expansion Package (AEEP)

Supporting Alberta SMEs interested in **Export** and developing a export plan or market entry strategy

Program criteria:

- SME must contribute 25% of the project cost
- SME can apply to multiple jurisdictions
- SME must have a minimum of \$20,000 in revenue
- Eligible Alberta SMEs can apply to the ERMV for up to \$20,000 to hire a Service Provider assist with the development of export related activities such as:
 - ✓ Market Entry Strategy or Export plan
 - ✓ Business Services and Advice:
 - i) Accountancy (taxes, receivables etc.)
 - ii) Legal (contract support, patent protection)
 - ✓ Export Pricing strategy
 - ✓ Tariff, Certification Requirements or Regulations Advice
 - ✓ Distribution and Logistics
 - ✓ Research on export Markets for product
 - ✓ International marketing plan
 - ✓ E-Business or online strategy (may include online international plan, sales or online security advice)
 - ✓ Translation support (translate user manuals, product guides, labelling etc.)

June 3 - 6, 2020 - Calgary, Alberta

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Salvador Ricardo Rodriguez Alba

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Albertainnovates.ca

THANK YOU

