
PROGRAM GUIDE: THE INDUSTRY r&D ASSOCIATES PROGRAM

PROGRAM OVERVIEW

Background

The commercialization of innovative technology and knowledge-based products is critical to Alberta's global competitiveness. Reducing the time to commercialize innovations is a priority for research and development-based SMEs. Access to non-dilutive funding that de-risks technology or knowledge-based product development has been identified as a critical success factor.

Alberta Innovates developed the Industry r&D Associates Program (the "**Program**") to provide high potential, high growth SME's, with novel, promising technologies, strong management, and an identified product-market fit, with in-house professional research and development capability. The goal is to advance the accelerate new product commercialization.

The program is part of a suite of SME funding programs focused on the commercialization technological solutions and is funded by the Government of Alberta, Ministry of Jobs, Economy, and Innovation and administered by Alberta Innovates. Alberta Innovates aligns its funding programs and portfolio management to our investment focus areas. Information about our focus areas can be found by following this [link](#).

Program Details

Alberta SME's (the "**Applicant**") may be eligible for up to \$67,500 for one year to subsidize employment of critical research and development human capital (the "**r&D Associate**" or "**Associate**") on a full-time basis. The amount and employment status is dependent on the qualifications of the Associate, and Alberta Innovates' assessment of the needs of the project. Successful applicants can reapply for an additional award at the end of the project.

The r&D associate has the advanced technical skills required by the SME to make that last leap from research to a marketable product.

HOW THE PROGRAM WORKS

Eligibility

(a) Applicant Eligibility Criteria - To qualify as an Applicant, an SME is required to satisfy the following criteria:

- be a for-profit SME;
- demonstrate the relationship between the Applicant and Associate does not create a conflict of interest;
- Be an Alberta-based company with an Albertan footprint, which is determined by the following: significant physical and corporate operational presence in Alberta, appropriate Alberta ownership, and discernable intent that operational benefits will flow primarily within the province of Alberta;
- meet the following definition of an SME: a company with fewer than 500 Full Time employees, and less than \$50,000,000 annual gross revenue;
- not currently have more than two (2) active Alberta Innovates-funded Associates
- be a legal entity with up to date corporate filings*:
 - incorporated in Alberta; or
 - incorporated federally or in another jurisdiction AND extra-provincially registered in Alberta; or
 - a General Partnership, Limited Partnership or Limited Liability Partnership AND registered in Alberta; and
- be in good financial standing with Alberta Innovates and its subsidiaries InnoTech Alberta and C-Fer Technologies.

**Please note, Alberta Innovates will perform a corporate search and may also seek bankruptcy and litigation searches.*

(b) Associate Eligibility Criteria - To qualify as an Associate, the individual must meet the following criteria:

- not currently own, has no right, option, or entitlement to purchase more than 15% of the issued and outstanding shares of the Applicant;
- not have been an Associate for the Applicant other than in the case of a re-application;
- not have been employed by the Applicant for more than twelve (12) months prior to the submission date of the Application;
- be in good financial standing with Alberta Innovates and its subsidiaries Innotech Alberta and C-Fer Technologies; and

- intend to live in the Province of Alberta at least for the duration of the Investment in the Project, unless the Applicant can provide evidence that having the Associate outside of the province will support the Project.

(c) Project Eligibility Criteria

To qualify for funding all Projects must:

- be stepped with critical “go/no go” milestones;
- be completed within the 1-year term; and
- submit to other criteria that Alberta Innovates may develop from time to time.

Program Objectives and Performance Measurement

The Industry r&D Associates Program is designed to deliver meaningful return on investment to the Province by serving as a catalyst for the commercialization of innovative technology products that generate increased revenue for Alberta SMEs.

Over the life of a Project, Alberta Innovates employs an active project management philosophy, regularly monitoring performance and supporting the Applicant to reach their objectives. Funding is tied to outcomes and achievement of results. For this reason, Alberta Innovates funds on a milestone completion basis. This means the Applicant is expected to submit a Progress Report before Alberta Innovates advances the next tranche of funds.

Once Projects are completed, Alberta Innovates continues to monitor performance to accurately evaluate the economic, social and environmental benefits realized for the Province. All Investment Agreements outline performance indicators tracked over the course of the Project and the responsibilities of the Applicant and Associate to report on outcomes after the completion of the Project. Alberta Innovates has a common set of performance metrics it monitors, both at the individual Project level and for the aggregated overall Program. These are highlighted on the next page.

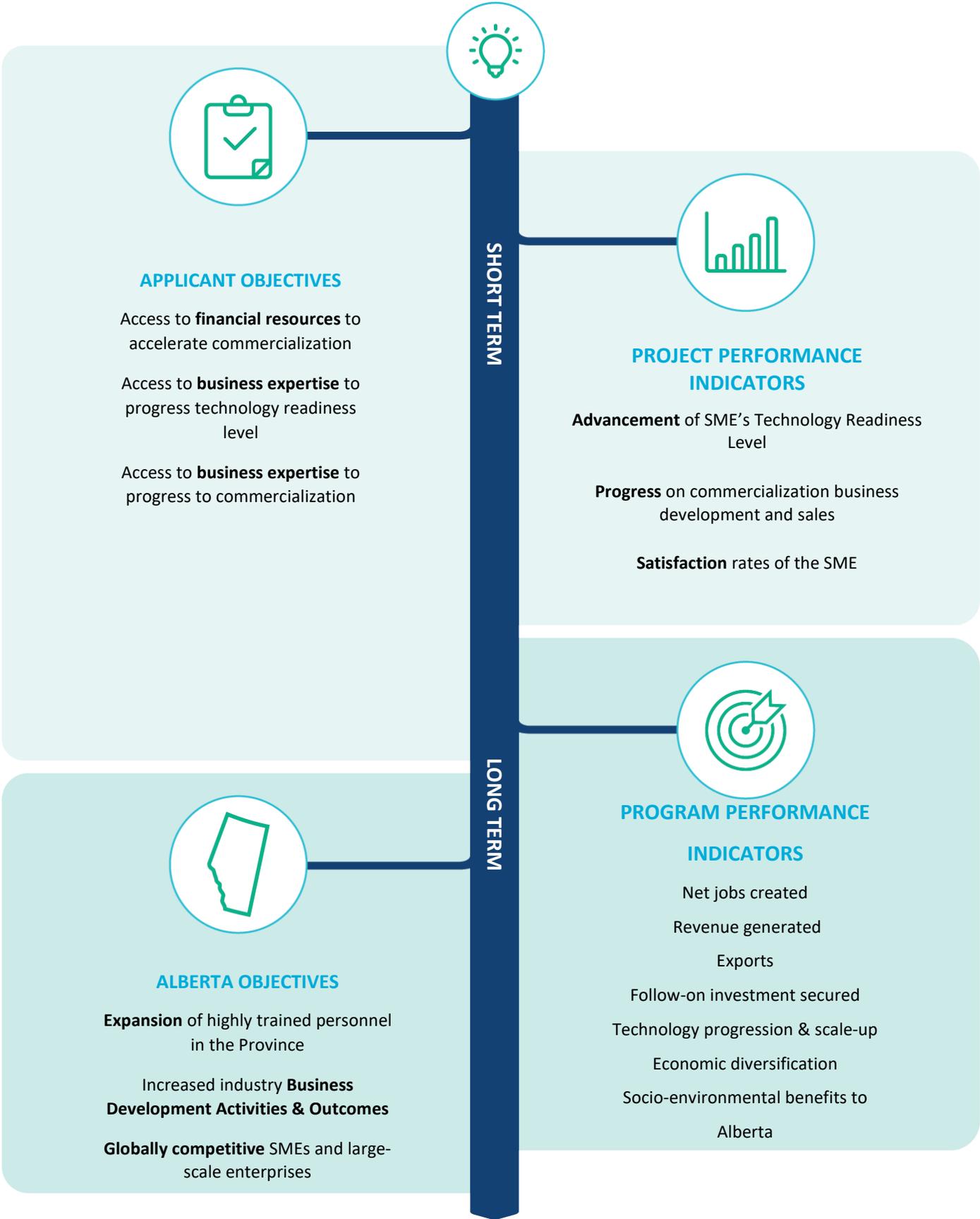
R&D Associate Roles

A Level One Associate has completed their education, has skills or experience in a specific field as a research assistant, junior engineer or engineer in training, junior or intermediate researcher or scientist, or a technician or technologist, and is prepared to take a full-time position.

A Level Two Associate has completed their education, has specialized training or experience, and supervisory experience as a clinical trial manager, lab supervisor, senior researcher or scientist, or a senior software developer, and is prepared to take a full-time position.

These descriptions are not exhaustive and Alberta Innovates will consider the needs of the Applicant. A technology professional with more seniority than a Level 2 will also have a high level of business acumen and in this case, the Applicant should apply under the Industry Commercialization Associate Program.

Objectives and Performance Metrics



APPLICANT OBJECTIVES

- Access to **financial resources** to accelerate commercialization
- Access to **business expertise** to progress technology readiness level
- Access to **business expertise** to progress to commercialization

SHORT TERM



PROJECT PERFORMANCE INDICATORS

- Advancement** of SME's Technology Readiness Level
- Progress** on commercialization business development and sales
- Satisfaction** rates of the SME

LONG TERM



ALBERTA OBJECTIVES

- Expansion** of highly trained personnel in the Province
- Increased industry **Business Development Activities & Outcomes**
- Globally competitive** SMEs and large-scale enterprises



PROGRAM PERFORMANCE INDICATORS

- Net jobs created
- Revenue generated
- Exports
- Follow-on investment secured
- Technology progression & scale-up
- Economic diversification
- Socio-environmental benefits to Alberta

How Funding Works

(a) Project Funding

Recognizing a wide range of skills may be required by the Applicant, Alberta Innovates has created two levels of funding, and the Applicant is required to provide a minimum of 25% of the Associate’s salary in cash (the “**Contribution**”). For example, if the Applicant wishes to receive \$75,000 from Alberta Innovates for a Level 2 Commercialization Associate, the Applicant must contribute at minimum \$25,000 cash making the Eligible Salary \$100,000/year.

Alberta Innovates *Maximum* Annual Investment for the Stipend per Level (Paid in monthly installments)

Level 1 Full-Time up to **\$52,500**

Level 2 Full-Time up to **\$67,500**

These amounts are maximums; the Applicant and the Associate may agree on a lower Eligible Salary. In addition, Alberta Innovates encourages the provision of additional cash and/or In-Kind to the Associate by the Applicant but will not provide more than the maximum amount specified in the above table. The Applicant is required to provide a 25% cash Contribution.

(b) Eligible and ineligible expenses

Alberta Innovates only funds the Project after we have signed an Investment Agreement with you. Any costs incurred prior to the Effective Date in the Investment Agreement are deemed ineligible. Costs must be incurred between arm’s length entities. Please refer to our standard form Investment Agreement found on our [website](#) to get an in-depth understanding of eligible and ineligible costs.

HOW TO APPLY



STEP 1 Applicant and Opportunity

The Applicant should have engaged a Technology Development Advisor prior to submitting an Application.

The Applicant may apply with or without the selection of a specific Associate at Stage 1. If only Stage 1 is submitted, the Application is evaluated for the Applicant and opportunity of the Project.

If approved at Stage 1 with no identified Associate, the Applicant will have six months to submit the Associate and Project sections of the Application.



STEP 2 Associate and Project

The Applicant may submit the selected Associate and Project description together with Stage 1.

However, if only Stage 1 was submitted and approved, the Applicant has six months to complete Stage 2. At Stage 2, the Application is evaluated on the Associate's suitability and the Project work plan.

If both Stages are submitted together, the Application will be evaluated in its entirety.



STEP 3 Project Management

For approved Applications, the Applicant and the Associate will execute an Investment Agreement with Alberta Innovates to proceed with the activities of the Project.

On-going management, progress reporting on achievement of the objectives. A TDA will be assigned to the Project if one is not already engaged.

Alberta Innovates continues to require reports from the Applicant for five years following the completion of the Project to measure long-term benefits.

EVALUATION PROCESS

During the different phases of the program, Alberta Innovates leverages internal staff and external expert reviewers to evaluate the Applications submitted. Alberta Innovates evaluates promising technologies based on a variety of common business and technical factors such as: the management team, market conditions, competitive advantage and product/market fit, go to market plan, financials, technical feasibility and export potential.

Alberta Innovates retains the sole right to determine the evaluation process and does not disclose the names of its external reviewers to ensure their objectivity and impartiality. All external parties are subject to both confidentiality and conflict of interest policies set by Alberta Innovates.

The assessment criteria and all investment decisions are at the sole discretion of Alberta Innovates.

TERMS AND CONDITIONS

This Program Guide is intended as a high-level overview of the Program. It provides interested Applicants with a roadmap of what to expect over the lifecycle of a r&D Associate Project, from the announcement of the program, through the Application stage, during the Project and post-completion. Should you have any questions about this guide or what is expected, please contact Alberta Innovates. Please be aware Alberta Innovates may modify this guide from time to time in keeping with any changes to the program.

Alberta Innovates will only correspond in writing and provide copies of the Application to the person named in the Application form as the one authorized to speak for the Applicant.

Once we have evaluated and approved an Application for funding, Alberta Innovates will require the Applicant to sign our standard form Investment Agreement. A copy of the Investment Agreement is available on the Alberta Innovates [website](#). The Investment Agreement sets out in detail the roles, responsibilities and obligations of the various Parties to ensure a successful Project. Alberta Innovates will not provide any funding until the Investment Agreement has been signed by all Parties.

Alberta Innovates will only fund Applicants who have satisfied all eligibility criteria. Meeting the eligibility criteria does not guarantee access to funding, and all funding decisions will be made by Alberta Innovates at its sole discretion.

EQUITY, DIVERSITY AND INCLUSION (EDI)

Alberta Innovates believes the Research and Innovation ecosystem is stronger and more sustainable when it is broadly reflective of the overall diversity of our community and therefore embraces the principles of Equity, Diversity and Inclusivity.

CONTACT INFORMATION

Should you have any questions about this guide or the Industry r&D Associates Program in general, please contact Alberta Innovates at inbox_grants@albertainnovates.ca

To reach the Technology Development Advisor closest to you, please visit our website at <https://connectwithus.albertainnovates.ca>

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