MESSAGE FROM THE PRESIDENT AND CEO

Our momentum and hard work continues as we enter the second half of our sophomore year and I am indeed pleased to share the following second quarter updates.

The team continues to focus on our three strategic pillars: investment sales, concierge service and advocacy as well as investment marketing and awareness.

The second quarter saw a lot of growth and expansion news from our local business partners that the team proudly supported. ESCRIPT (ETAS) expanded into a newly renovated facility in Waterloo, Huron Digital Pathology broke ground on a brand new and expanded facility in St. Jacobs and Evolv1 – Canada’s first net zero commercial multi-tenant office building – hosted their official open house in June.

The team participated in 20 inbound and outbound missions which included hosting distinguished leaders and business owners from Baden-Württemberg, Germany. The event, hosted at the University of Waterloo’s Engineering 7 facility, included a tour of the WatCAR lab as well as networking with local companies and dignitaries. The team also hosted a number of high-profile, large multi-national businesses focused on potential investment attraction and expansion opportunities in our community.

In addition, the team facilitated introductions with potential prospects for new technology developments that lead to two new confirmed tenants at Catalyst137. Discussions are ongoing with several other potential occupants as well.

Community engagement is a top priority and throughout the second quarter, we sponsored and participated in a number of local events including the Manufacturing Summit, the Tech Leadership Conference, a NAFTA Roundtable event and the “Waterloo Region as a Leader in Innovation” panel at the Toronto District Council of Urban Land Institute’s Symposium.

The Marketing team is focused on activities that increase awareness and interest in our community. Continued progress was made on the development of a new Waterloo EDC website, tools that support lead generation, and the local economy. More details to come in our Q3 report as our collaborative “Why Waterloo Region” project – a narrative that identifies our community’s unique selling points – is nearing completion.

As you will see in more detail, the first half of 2017 has been solid. Our community has a lot to be proud of. I am looking forward to celebrating the continued growth and success with our local partners and stakeholders.

Let’s Get to Work!

Tony LaMantia
President & CEO
# 2017 Business Plan: Three Strategic Pillars

<table>
<thead>
<tr>
<th>Investment Sales</th>
<th>Concierge Service and Advocacy</th>
<th>Investment Marketing and Awareness</th>
</tr>
</thead>
<tbody>
<tr>
<td>To forge a clear track record of investment attraction and scale up wins.</td>
<td>To build a best-in-class “go to” concierge and advocacy service to facilitate investment attraction and retention.</td>
<td>To increase awareness and interest of Waterloo Region’s unique economic development value proposition in targeted geographies and sectors.</td>
</tr>
</tbody>
</table>

## Vision, Mission, Values

**Vision**
To be locally rooted, internationally competitive and globally renowned.

**Mission**
To build a world-leading legacy of sustainable economic development, prosperity and diversity for Waterloo Region.

**Values**
Collaborative, Professional, Integrity, Accountable, Results-Focused.
QUARTERLY ACTIVITIES: APRIL – JUNE 2017

INVESTMENT SALES

The team continued to focus on attracting new businesses to our community as well as supporting the expansion and relocation efforts of local existing businesses.

The chart below summarizes the sales pipeline as of the end of June 2017. Key highlights include:

- Approximately 35 potential deals in the sales pipeline with an estimated valued of $455,900,000 and approximately 3,127 jobs.
- Of potential deals in the pipeline, approximately 56% are in Advanced Manufacturing, 42% are in ICT/Tech and 2% are in Business and Financial Services.

Investment by Sector
Local business growth and expansion continues to be a key focus area for the team, as they actively participated in more than 80 meetings with local businesses – many focused on investment expansion. In collaboration with our local municipal economic development partners, the team is following up on all of these potential leads and more information will be included in future quarterly reports.

There continues to be significant investment and expansion throughout Waterloo Region, with a number of high profile organizations affirming their commitment to the region.

In June, Huron Digital Pathology announced their expansion to a new 9,700-sqft research and development and manufacturing facility with a groundbreaking ceremony in St. Jacobs.

“Huron Digital Pathology’s move to Woolwich is a powerful invitation for others to join us as they forge their success in an environment that has a diverse economy.”

Township of Woolwich Mayor Sandy Shantz.
Within one year of opening their Canadian headquarters in Waterloo Region, ESCRYPT (ETAS) expanded operations to the City of Waterloo and hosted an open house at their newly renovated facility. The new facility supports their recent acquisition of TrustPoint Innovation Technologies, Ltd.

“The decision to open our Canadian headquarters in Waterloo Region was based on the area’s reputation and culture of innovation and entrepreneurship.”

David MacFarlane, General Manager of ESCRYPT in Canada
CONCIERGE SERVICE & ADVOCACY

One of our three strategic pillars is to build a best-in-class “go to” concierge and advocacy service to facilitate investment attraction, expansion and retention. In support of this objective, the team sponsored and participated in local events and facilitated the attendance of distinguished leaders and experts to the community for speaking events.

As a sponsor of the Greater Kitchener Waterloo Chamber of Commerce’s (GKWCC) Manufacturing Summit, Waterloo EDC played a lead role in securing Mr. Friedhelm Pickhard, Chairman of the Management Board, ETAS GmbH, as the event’s keynote speaker. Tony LaMantia, President and CEO of Waterloo EDC, moderated the fireside chat with Mr. Pickhard and discussed why ESCRYP (ETAS) chose Waterloo Region.

We partnered with the Greater Kitchener Waterloo Chamber of Commerce (GKWCC) for a NAFTA event entitled “The Future of Globalization,” which focused on helping local companies navigate NAFTA and how changes may affect their business. Again, the team played a significant role in securing the keynote speaker, Mr. Pierre Pettigrew, executive advisor (International) for Deloitte in Canada and former Minister of Foreign Affairs for the Government of Canada. Following the NAFTA event, Waterloo EDC invited key local business leaders and partners to participate in a private roundtable discussion with Mr. Pettigrew.

The team continued to engage in community activities, such as attending Communitech’s Tech Leadership Conference in May and the State of the City Addresses for Cambridge, Kitchener and Waterloo. Additionally, the team has continued to support the Evolv1 development, which will be the first multi-tenant building of its kind in Canada to have a net positive carbon output and attended the facility’s groundbreaking event at the David Johnston Research + Technology Park.
INVESTMENT MARKETING & AWARENESS

The Waterloo EDC team participated in 20 inbound and outbound missions focused on investment attraction, which resulted in 50 lead generation meetings with a number of high-profile organizations interested in potentially locating or relocating to Waterloo Region. In April, Waterloo EDC along with members of the Ontario Manufacturing Communities Alliance, traveled to Hannover Messe, Germany, to meet with Baden-Württemberg officials, VDMA – the Mechanical Engineering Industry Association – and OCTOPUZ Inc., an offline robotic programming and simulation software company that has operations located in both Waterloo and Germany.

On another outbound lead generation mission, Waterloo EDC team members travelled to London, England, in June to host an Internet of Things (IoT) event focused on promoting the Toronto-Waterloo Region Innovation Corridor. The event, “Toronto-Waterloo Region Corridor Comes to the UK: Smart Cities of the Future,” was held in partnership with the High Commission, Toronto Global and the Toronto Region Board of Trade to highlight how IoT is impacting all aspects of modern life. Kurtis McBride, CEO, Miovision Technologies Incorporated and Robert Crow, Managing Director and Executive in Residence at the Institute of Quantum Computing, were featured keynote speakers highlighting Waterloo Region’s global strength in IoT. This event was held in conjunction with London’s Tech Week conference.

One of several large inbound missions during the second quarter, the team hosted 16 distinguished leaders and business owners from Baden-Württemberg, Germany, in late June. The event, hosted at the University of Waterloo’s Engineering 7 facility, included a tour of the WatCAR lab, networking with local companies and dignitaries including City of Kitchener Mayor Berry Vrbanovic, City of Waterloo Mayor Dave Jaworsky and Regional Chair Ken Seiling.

Additionally, we briefed a number of local companies on our “Why Waterloo Region” video project, which will be used to develop an investment promotional video highlighting our community and assets to an international audience.

The team continues to focus on increasing social media engagement through Twitter and LinkedIn. The Marketing team hosted a Social Media 101 session for internal team members to educate them on how to use social media and recommended best practices. The team continues to refine the content shared on social media channels in order to reach our target audience of international business executives, site selectors and investment intermediaries. The number of followers, views and engagement rate have seen consistent increases since Q1 2017:
For April 1 – June 30

**TWITTER**
- **Followers**: 4,938 (+2.9%)
- **Engagement Rate**: 1.4%

**LINKEDIN**
- **Followers**: 217 (+23.3%)
- **Engagement Rate**: 2.9% (+1.6%)

**Note**: The impressions for Twitter was not included as the methodology for collecting this information changed since the first quarter. Therefore, the number of impressions will be presented in the next quarter to accommodate the new methodology.