Waterloo Region’s economic development corporation, branded as "Waterloo EDC", made great strides in 2016. We now have a fully staffed organization — with a very committed and capable team of marketers, business development experts and support personnel. This team works collaboratively with economic development staff within our municipalities to achieve the key goals outlined in the economic strategy document developed in 2014-2015. Together with other business and development organizations, we have built up the Region’s profile... building on the core value proposition that Waterloo Region is a great place to locate and grow a business.

Our region has great assets. We have people-related strengths such as a talented and diverse workforce, an entrepreneurial attitude, as well as a culture of innovation. We have world leading research and educational institutions, vibrant and livable/affordable communities and improving infrastructure (LRT, GO Train service, etc.). We truly are "Inventing the Future" and the team at Waterloo EDC is pleased to play a key role.

Of course, we need to continue to get exposure in key target markets. We are therefore building the region’s profile with focused marketing campaigns. Over the past year, Waterloo EDC has hosted numerous in- and out-bound trade and development related missions, which have raised the profile of our community on an international scale. We are building a more complete web portal to support those wanting to learn about the region. We are answering the question...Why Waterloo?

We are also building a solid funnel of growth opportunities — a funnel which tracks both foreign direct investments such as ETAS’s acquisition of TrustPoint Innovation Technologies Ltd. or Hahn Plastics decision to locate a sales office here, as well as local business expansions such as Erwin Hymer’s growth in Kitchener and Cambridge.

I would like to take this opportunity to thank our board members — many of whom have actively supported staff with key initiatives such as hiring and marketing/outreach over the past year. Lastly, I would like to commend Waterloo EDC staff for their efforts in 2016 and for their continued commitment to grow prosperity in this region.

Gerry Remers
Chair of the Board, Waterloo EDC
MESSAGE FROM THE PRESIDENT AND CEO

Investment attraction is a fiercely competitive endeavour. Communities, regions and countries push hard to position themselves as “THE place to be” for businesses, entrepreneurs and highly skilled talent.

2016 was the inaugural year for Waterloo Region Economic Development Corporation, the newly formed investment promotion agency and first point of contact for companies looking to locate, relocate or expand in our community, funded by the Region and the seven area municipalities.

In our first year, we focused on building a highly skilled team, growing a healthy pipeline of potential investments and establishing important collaborative relationships with community partners and key stakeholders.

A core focal point was executing against our four key operational planks: to forge a track record of clear Foreign Direct Investment and scale-up wins; to build a best-in-class, “go-to” concierge service; to create an inventory of investment ready sites and to develop a unified narrative and integrated marketing plan for the Region.

I am pleased to report that our freshman year was successful on all fronts.

We had a number of significant investment wins, such as the new ETAS Embedded Systems Canada/ESCRYPT headquarters (a Bosch subsidiary), the opening of Hahn Plastics’ North American office in Waterloo, the new NCC Group Kitchener facility and the aggressive marketing of the Toronto-Waterloo Innovation Corridor, which included an investment mission to California with Toronto Mayor John Tory, Cambridge Mayor Doug Craig, Kitchener Mayor Berry Vrbanovic and Waterloo Mayor Dave Jaworsky.

Focused on building a best-in-class “go to” concierge service, we participated in a number of high quality campaigns, including successful outbound missions to California, Germany and Japan, over 10 inbound missions, hosted the first annual AutoTech Symposium, the only event of its kind in Ontario to shine a spotlight on Waterloo Region’s globally significant cyber and embedded automotive security cluster, as well as our participation in many local events and industry panels.
In line with our four key planks, we launched our new internationally targeted corporate brand – Waterloo EDC – in November 2016. To support our brand narrative objective, we also began the collaborative “Why Waterloo” initiative, a project that will help us identify our community’s unique selling points and develop a consistent message for us to communicate to international business decision makers.

I would like to thank our Board for playing a very active role in 2016, specifically in the areas of priority setting, talent acquisition, financial oversight, governance and international branding.

I am looking forward to working with our team to build on 2016’s strong foundation alongside our local partners and stakeholders to promote Waterloo Region on the international stage and grow our economy in the years to come.

Let’s get to work!

Tony LaMantia
President and CEO, Waterloo EDC
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.

2016 BUSINESS PLAN: FOUR STRATEGIC PILLARS

1. Forge a track record of clear FDI and scale up wins.
2. Build best-in-class “go to” Concierge Service.
3. Create inventory of Investment/Shovel-Ready Sites.
4. Develop unifying narrative/integrated marketing plan.
INVESTMENT SALES

The Waterloo EDC team began 2016 with a number of investment attraction activities, which included hosting high potential, globally recognized prospects. The team’s hard work resulted in the announcement of a number of significant wins, such as ETAS/ESCRYPT, Hahn Plastics, Highview Developments as well as a number of important scale up opportunities for local companies. The positive trend continued throughout the first year with approximately 15 inbound and outbound missions.

In the spring of 2016, Waterloo EDC representatives, with Cambridge Mayor Doug Craig, Kitchener Mayor Berry Vrbanovic, Toronto Mayor John Tory and Waterloo Mayor Dave Jaworsky traveled to California for the unveiling of the Toronto-Waterloo Innovation Corridor as a global hub at City Age San Francisco. The Corridor continued to gain prominence and awareness in both domestic and international markets throughout 2016.
Toronto and the Waterloo Region are no further apart than San Francisco and Silicon Valley, and are home to a diverse, highly educated population and game changing ideas.

*Toronto Mayor John Tory, said in a February 2016 release*

A partnership between the two cities will strengthen advocacy for effective transit solutions that enable seamless collaboration between tech hubs, academic institutions and financial institutions throughout the innovation corridor.

*Kitchener Mayor Berry Vrbanovic*
Towards the end of 2016, representatives from Waterloo EDC, along with Cambridge Mayor Doug Craig and Waterloo Mayor Dave Jaworsky traveled to Baden-Württemberg, Germany as part of an investment mission to promote job creation in Waterloo Region. The delegation participated in 16 meetings focused around the expansion, organic growth and retention plans of German-owned companies with operations in our community.

“Cultivating strong relationships with our international business partners is critical to sustaining a prospering local economy,” said Mayor Doug Craig. “I was warmly received by the many German companies who have a strong presence in Cambridge, such as IDT Biologika, BESSEY Tools, Siemens and Bock GmbH. The visit demonstrated the City’s commitment to help them succeed and expand, and opened the doors for future investment in our great community.”

“Our economic development trip to Germany [in 2016] is paying dividends.

Waterloo Mayor Dave Jaworsky

We are stronger when our Region speaks as one.

Waterloo EDC CEO Tony LaMantia
The following chart summarizes the sales pipeline as of December 2016. Key highlights include:

- Closed and announced deals were valued at $9.5 million.
- At the end of the year, we had 31 potential deals in our sales pipeline with an estimated value of $604 million.
- Of the potential deals in the pipeline at the end of the year, approximately 42% were in the tech sector and 35% in advanced manufacturing.
- Our sales pipeline continued to grow quarter over quarter.

### FULL YEAR 2016

From an organizational perspective, the team grew from one employee in January to 12 full-time employees and two co-op students. Operationally, our team has implemented new systems and processes to maximize efficiency, including payroll and project management as well as expense and performance management. As an organization, we hosted our first Public Information Meeting and Open House in November, and provided an organizational and President’s update to community stakeholders and funding partners.
CONCIERGE SERVICE & ADVOCACY

A core focus area for Waterloo EDC is to provide best-in-class service and advocacy for those looking to locate, relocate or expand in Waterloo Region.

During the inaugural year, the team concentrated on developing effective and collaborative relationships and partnerships with key community and government stakeholders. This included a number of conversations with Regional stakeholders, which resulted in the kick-off of the Waterloo EDC and Economic Development Officers (EDO) Working Group, an initiative that is critical to achieving an integrated regional approach to investment attraction and business retention and expansion. The Waterloo EDC team submitted a proposal for Federal funding for 2017 in the fall of 2016 through the Invest Canada Communities Initiatives (ICCI) program and received funding for all nine of its proposed initiatives.

In addition, the team hosted the first annual AutoTech Symposium, which highlighted Waterloo Region’s strengths in the automotive sector. The event was a sell-out and helped raise the profile of our community as a globally significant leader in autotech. Attendees were able to participate in business-to-business meetings, attend keynote and panel speaker sessions with local and international automotive security and autonomous vehicle experts as well as participate in a variety of tours, including the University of Waterloo’s WatCAR facility, and interact with a number of advanced automotive vehicles and event exhibitors. The event garnered media attention and a number of our local business partners were interviewed by BNN. The event continues to pay dividends from an investment attraction and lead generation perspective; more information will be included in future quarterly and annual reports.

Waterloo EDC is the operating name of Waterloo Region Economic Development Corporation.
Community engagement was a top priority as we kicked-off our first year. We sponsored a number of events, such as the Waterloo Innovation Summit, Greater Kitchener-Waterloo Chamber of Commerce’s (GKWCC) Manufacturing Summit and Kitchener-Waterloo Oktoberfest. The team participated in 15 speaking engagements, such as moderating the Connected Vehicle Panel with TrustPoint Innovation Technologies, QNX and Stratford Mayor Dan Mathieson, presenting at the Region of Waterloo’s All Council meeting, and the New Hamburg Board of Trade, and speaking to the University of Waterloo’s Master of Economic Development class. Additionally, Waterloo EDC supported a number of local events through the GKWCC, Communitech, and the Grand River Rotary Club, just to name a few.

**INVESTMENT MARKETING & AWARENESS**

In late 2016, the newly formed marketing team launched our new organizational brand, Waterloo EDC, which resonates strongly with our international audience. Our tagline – inventing the future – a forward-facing statement delivers on both our and the entire region’s strategy, objectives and key messages as well as leverages the strong current key brand equity and assets. All marketing materials and collateral were updated and the brand officially launched in November of 2016 in *Exchange Magazine* and as a six-part series in collaboration with local regional partners, originally published in *Perspective* and distributed as an insert in the Globe and Mail.

“How business is shopping for destinations in an international way is more online, and that cachet that the University of Waterloo and the word Waterloo have is phenomenal,” said Councilor Helen Jowett in an article originally published in The Record on December 22, 2016.

Throughout our first year, the team had the opportunity to participate in a number of media engagement activities, including an interview on 570 News Radio Talk Show hosted by Ian McLean and Greg Durocher of the GKWCC and the Cambridge Chamber of Commerce, as well as a live *BNN interview* on Waterloo and the future of automotive manufacturing. The Mayoral mission to California, supported by Waterloo EDC, received significant global media coverage, appearing in publications such as the *San Francisco Chronicle*, *The Star*, and *CP24*.

In addition to launching the new brand, the team increased our social media presence, actively engaging with both our international audience and local stakeholders, raising awareness and the profile of Waterloo Region on the global stage.

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*Waterloo EDC is the operating name of Waterloo Region Economic Development Corporation.*
See below for a detailed breakdown on the social engagement through Twitter and LinkedIn. The number of followers, views and engagement rate have continued to increase since the start of the year.

**TWITTER**

**FOLLOWERS**
(January 2016)

- 4,157 followers

**FOLLOWERS**
(December 2016)

- 4,628 followers
  - +11.3%

**LINKEDIN**

- 0 followers
  - +100%

**WATERLOO EDC WEBSITE**

- **Total ANNUAL SESSIONS**
  - (time a user is active on your site)
  - 19,504 sessions

- **Total number of USERS**
  - (initiated at least one session throughout the day range Jan.-Dec.)
  - 13,496 users

- **Total number of PAGE VIEWS**
  - 55,563 views

**Note:** Website stats include Waterloo EDC staff visits and unknown bots as both were not filtered out until the end of 2016.
STATEMENT OF EARNINGS YEAR ENDED DECEMBER 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
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<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
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<tr>
<td>Revenue</td>
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<tr>
<td>Core funding</td>
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<td>386,882</td>
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<tr>
<td>Other Government funding</td>
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<tr>
<td>Other revenue</td>
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<tr>
<td></td>
<td><strong>2,058,107</strong></td>
<td><strong>386,882</strong></td>
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<tr>
<td>Expenses</td>
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<tr>
<td>Program costs</td>
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<td>4,330</td>
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<tr>
<td>Administrative</td>
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<td>59,521</td>
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<tr>
<td>Amortization</td>
<td>8,734</td>
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<tr>
<td></td>
<td><strong>1,614,569</strong></td>
<td><strong>63,851</strong></td>
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<tr>
<td>Excess of revenue over expenses</td>
<td><strong>443,538</strong></td>
<td><strong>323,031</strong></td>
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</table>

STATEMENT OF NET ASSETS YEAR ENDED DECEMBER 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
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<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Net assets, beginning of period</td>
<td>323,031</td>
<td>NIL</td>
</tr>
<tr>
<td>Excess of revenue over expenses</td>
<td>443,538</td>
<td>323,031</td>
</tr>
<tr>
<td>Net assets, end of period</td>
<td><strong>766,569</strong></td>
<td><strong>323,031</strong></td>
</tr>
</tbody>
</table>

Waterloo EDC is the operating name of Waterloo Region Economic Development Corporation.
## FINANCIAL POSITION DECEMBER 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>2016 $</th>
<th>2015 $</th>
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<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
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<tr>
<td>Cash</td>
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<tr>
<td>Investments</td>
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<td>15,628</td>
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<tr>
<td>Accounts receivable</td>
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<td>HST receivable</td>
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<td>Prepaid Expenses</td>
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<td><strong>Current Assets</strong></td>
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<tr>
<td>Intangible assets</td>
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<tr>
<td>Capital assets</td>
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<tr>
<td><strong>Total Assets</strong></td>
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<td>329,531</td>
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<tr>
<td><strong>LIABILITIES</strong></td>
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<tr>
<td>Accounts payable and accrued liabilities</td>
<td>91,511</td>
<td>6,500</td>
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<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets</td>
<td>766,569</td>
<td>323,031</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>858,080</td>
<td>329,531</td>
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