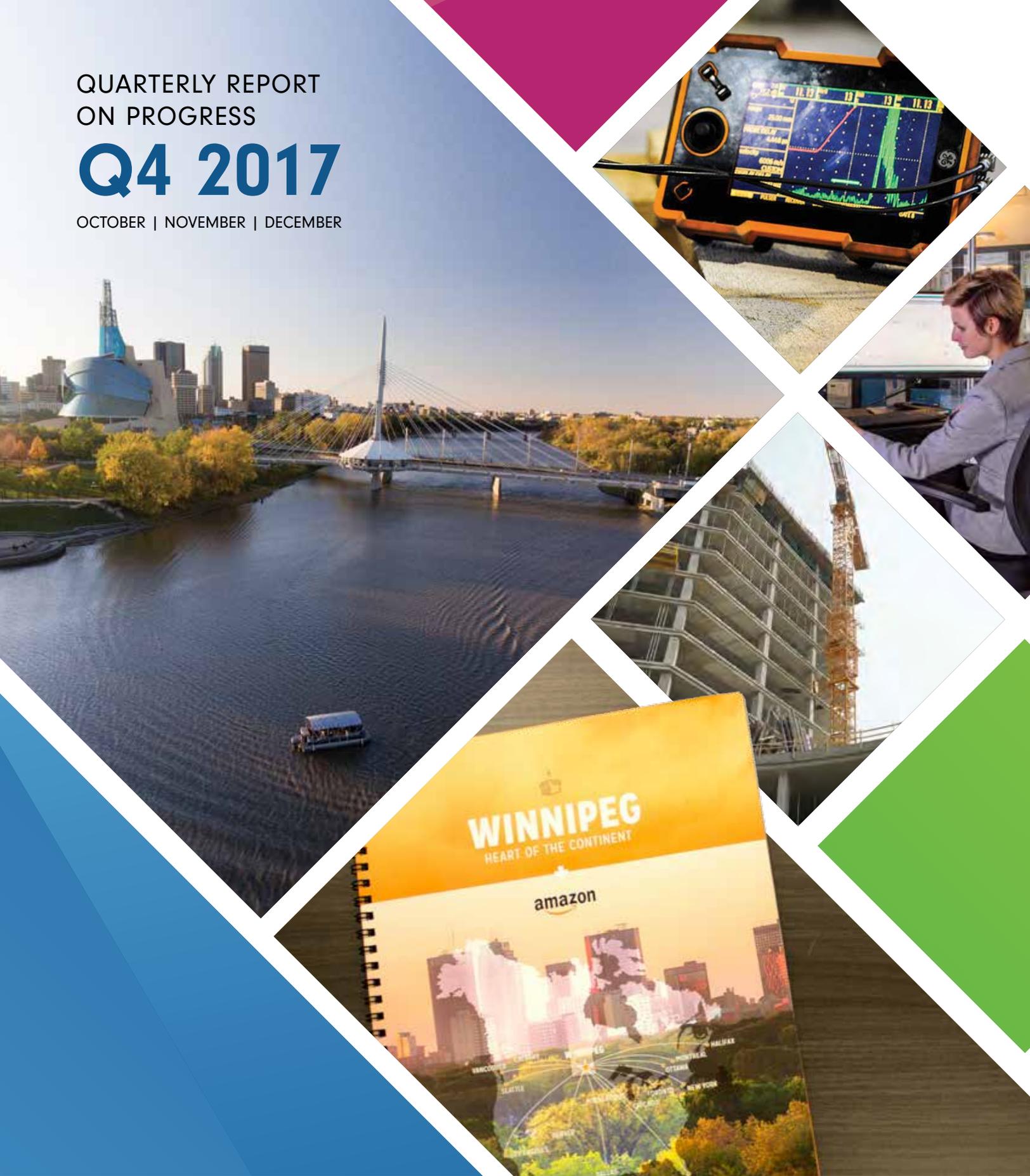


QUARTERLY REPORT
ON PROGRESS

Q4 2017

OCTOBER | NOVEMBER | DECEMBER





DAYNA SPIRING
President & CEO

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LEVERAGING THE WINNIPEG ADVANTAGE

Collaboration between the private and public sectors help grow our city's positive reputation

Promoting a city is a key factor in the success of any economic development strategy. A positive global reputation will leave a resonating impact that will assist companies in attracting talent, in expanding their customer base, or opening the door to new opportunities. It will also allow those companies to attract new business and investment. Winnipeg has a strong story to tell on the strength of its internal economy; now we need to focus on spreading that message so the rest of the world knows what we have to offer.

Our city occasionally has to contend with a negative branding issue: there is a reputation that Winnipeg is too small to compete with other world-class cities, stuck in a small-town mentality, or slow to adopt new technologies and ways of doing business. Fortunately, those of us that live and work here know differently. Even though that negative perception is no longer true or deserved, we still have to shake it off to have people understand what today's Winnipeg is all about, and what it can be in the future.

There is so much to be proud of in Winnipeg. Our commitment to frugality and low cost of living allows our residents to have greater disposable income and enjoy a higher quality of life, while our businesses can rely on lower overhead costs. We also have a strong community of visionaries that dare to dream bigger, adopt new ideas and punch above our weight class. Most importantly, we have a spirit of collaboration among the private sector and with our local governments that allows us to stand united and tackle greater challenges. I often refer to this last strength as our Winnipeg advantage.

Why is the Winnipeg advantage important? Simply put, it allows us to compete with the world's largest and most prestigious cities from both an economic development and a tourism perspective. If we want to be perceived on the world stage at the same level as Toronto, Calgary, Minneapolis or any other regional metropolis, we need to put our city's best foot forward every time.

There is no better example of how effective the Winnipeg advantage can be than last year's submission for our city

to host Amazon's second headquarters. When the global commerce giant began searching for a site for its 'HQ2', Economic Development Winnipeg immediately moved to prepare a bid championing Winnipeg as an ideal location. We rapidly got a team together consisting of the Province of Manitoba, City of Winnipeg, and representatives from the private sector. This group, which was dubbed 'Team Manitoba', had a single focus – ensure Winnipeg's submission promoted the Winnipeg advantage not only to Amazon, but to the world.

The collaboration between the city, province and Economic Development Winnipeg on the creation of this bid was unprecedented – it demonstrated how we can work together to achieve great things. While it wasn't difficult to find success stories to build a strong foundation for our submission, Team Manitoba was instrumental in framing and promoting Winnipeg's existing reputation of a first-rate city. The final submission to Amazon promoted our central location, low cost to do business, high quality of life, above-average access to talent, and some of the Winnipeg success stories.

In preparing Winnipeg's submission, we created an opportunity for Winnipeg to attract more than just Amazon - we've captured the attention of companies across North America. Our submission confirmed one of Winnipeg's best-kept secrets: companies have confidence in Winnipeg because of the many advantages our city offers. With a low operational cost of doing business, there is an opportunity for companies to set themselves up for long-term success.

In the Amazon example, as with so many others, the Winnipeg advantage has opened the door for businesses across the world to consider Winnipeg as a destination to grow, expand or relocate their operations. This opportunity has captured global attention, while creating a platform for us to showcase our city and how private enterprise would stand to gain by investing here.



Although we have recently learned that we will not host Amazon's second headquarters, we have put the world on notice that Winnipeg is a contender. As we continue to be recognized on the world stage, we know that what we can convert this interest into more leading-edge companies growing or relocating here. If we can capitalize on this, we will see companies like Amazon take an interest.

The strength of the Winnipeg advantage is in the community that believes in it, and promotes that advantage externally – we can all be ambassadors for Winnipeg. We all need to work together to continue building on our city's

strengths and growing our positive reputation. The world is taking notice of Winnipeg, and it's up to us to hammer that message home.

Dayna Spiring
President & CEO
Economic Development Winnipeg Inc.

RECENT ACTIVITY ROUNDUP

Economic Development Winnipeg Inc. (EDW) is the lead economic development agency for Winnipeg, encompassing EDW, YES! Winnipeg and Tourism Winnipeg. EDW champions Winnipeg's economic growth and facilitates investment promotion and attraction, capacity building and the management of market data. EDW articulates Winnipeg's value proposition and supports targeted sector analysis, encourages community and social development, and promotes Winnipeg's diverse economy and high quality of life. EDW works collaboratively with government, academic and industry partners to stimulate Winnipeg's economy and mobilize the city's tourism attraction activities.

BUSINESS DEVELOPMENT HIGHLIGHTS: YES! WINNIPEG

CUMULATIVE AND CURRENT SUCCESSES

By the close of this quarter, YES! Winnipeg has supported 82 projects since its inception in 2011, resulting in an expected cumulative creation of more than 4,800 jobs and \$577 million in capital investment at maturity.

BUSINESS DEVELOPMENT

MacDon Industries Ltd.

Winnipeg-based agriculture equipment maker (and YES! Winnipeg investor) MacDon Industries Ltd. is being sold for \$1.2 billion to Linamar Corp, based in Ontario. MacDon sells its specialized agricultural harvesting equipment in over 40 countries and has about 1,400 dealers and distributors in its global network. YES! Winnipeg has worked with MacDon for several years to facilitate new networking introductions and opportunities.

Delta 9 Bio-Tech

One of only two Manitoba firms licensed by the federal government to produce cannabis, Delta 9 Bio-Tech has debuted on the TSX Venture Exchange. Co-founder John Arbuthnot will become CEO of the publicly-traded company, which will be renamed Delta 9 Cannabis.

Delta 9 will issue eight million new shares at \$0.65 per share to raise as much as \$5.2 million, and is seeking more capital to finance future expansion plans. By 2020, Delta 9 plans to use its new capital to increase production drastically – from about 1,000 kilograms a year to 17,000. YES! Winnipeg is expecting the nationwide distribution of cannabis to become more prominent in the coming year, due to the ability of companies like Delta 9 to set up large-scale cannabis production facilities here.

REACTIVE OPPORTUNITIES

Throughout this quarter, YES! Winnipeg responded to more than 15 inquiries from companies looking for assistance with



local launches, expansions and/or attractions. Within these queries, cryptocurrency mining and cannabis production were common topics.

An essential part of cryptocurrency mining involves using blockchain technology. This concept, which is quickly increasing in popularity across the globe, decentralizes databases to provide users with greater information security and better access to data. Essential to blockchain technology is having several computers connected to the network – often requiring data warehouses with substantial power requirements to maintain.

Blockchain technology, as well as Bitcoin and other cryptocurrency data mining, are excellent opportunities for the Winnipeg region. Our famous winter weather and low utility rates creates a low entry barrier to setting up the required data warehouse. With the need for blockchain and cryptocurrency mining to be operating 24 hours daily, YES! Winnipeg is working with providers of these new technologies who are interested in setting up here.

With the pending legalization of cannabis and the provincial government's pending announcement on retail sales licenses due this spring, YES! Winnipeg is anticipating this industry to scale up both on the production and distribution sectors extremely quickly in the coming months, to meet the federal government's July 1, 2018 cannabis legalization date.

REFERRALS

YES! Winnipeg staff provided over 50 referrals during this quarter to investors and community collaborators. This included providing targeted business enquiries, introductions for potential project partnership opportunities, and acting as a resource hub for startup companies looking to build their local networks.

INVESTOR BREAKFAST

Thank you to all of those who attend the YES! Winnipeg Investor Breakfast on November 21, 2017. During the breakfast Ryan Kuffner was introduced as EDW's new Vice President, Sales & Business Development, in turn "leading"

YES! Winnipeg. Ryan joined our team on December 11, 2017 and we look forward to his leadership and ideas on how to continue to strengthen the YES! Winnipeg initiative.

BUSINESS DEVELOPMENT HIGHLIGHTS: TOURISM WINNIPEG

VISITOR EXPERIENCES OUTREACH

Tourism Winnipeg conducted frontline training seminars for 35 staff across five hotels this quarter. The goal of these seminars is to enhance hotels' efforts to ensure guests have a positive stay in Winnipeg, with the expectation of increased return visits and positive word-of-mouth advertising.

Tourism Winnipeg welcomed 600 attendees of the Canadian Society for Exercise Physiology conference and, as part of its community outreach efforts, delivered a presentation for the Transcona Council for Seniors. The presentation encouraged the group to explore the city to generate a sense of local pride.

TOURISM WINNIPEG SALES

Site visits were conducted for 17 clients, showcasing Winnipeg as a destination of choice for future conventions, sports events and group tours. These clients represented more than 1,700 delegates/participants, and approximately \$2.4 million in direct spending.

BID OPPORTUNITIES

14 bid presentations/books were created to compete for future conventions, sports and events. Bid opportunities submitted during this quarter represent more than 8,000 delegates/participants and approximately \$7.7 million in direct spending. Major bids included the 2019 Arbonne Canada National Training Conference, 2020 Royal LePage Canada Sales Conference, and the 2019 Canadian Swimming Championships.

SUCCESSFUL BIDS

34 conferences and events were confirmed this quarter, including the 2019 Canadian Association of Nurses in Oncology Conference, 2019 Potato Association of America Annual Meeting, 2018 Odysseo by Cavalia, and the 2018



World International Roller Hockey Tournament. These cumulatively represent over 13,000 participants/delegates and approximately \$10 million in direct spending.

BUSINESS DEVELOPMENT HIGHLIGHTS: MARKET INTELLIGENCE

INTELLIGENT COMMUNITY FORUM (ICF) – SMART 21

EDW was successful in advancing Winnipeg to the ICF Smart 21 designation. This designation enabled Winnipeg to advance to the proposal stage to compete for the ICF Top 7 Intelligent Community designation and placing the city into the final stage to compete for the ICF Intelligent Community for 2018.

EDW leveraged a broad cross section of community stakeholders including its Winnipeg Smart City Caucus to complete the Smart 21 proposal. The proposal was submitted January 4th, where an international adjudication panel will review the proposals from the 21 international cities that achieved Smart 21 status. An announcement for ICF on the cities that advanced to the Top 7 will be made in early February 2018.

MARKET INTELLIGENCE – CONTENT REPOSITORY

EDW's Market Intelligence team continues to refine its online content portfolio. The repository provides accurate and timely market profile data and analysis to support product development for EDW's sales teams and for use by community stakeholders. As new information from a variety of sources such as Statistics Canada become available, updates will be made to our key industry sector profiles including tourism, creative industries, transportation and logistics, advanced manufacturing and agribusiness, energy and environment and life sciences, ICT, finance and aerospace.

BUSINESS DEVELOPMENT HIGHLIGHTS: MARKETING & COMMUNICATIONS

AMAZON HQ2 RFP

In October, EDW submitted a bid to be the home for Amazon's second headquarter location. The bid was

accompanied by a video produced in-house which featured Obby Khan touring Alexa (an Android Echo device) around Winnipeg. Media attention from Winnipeg's bid submission and video was extremely well-received, and was ranked as one of the five best HQ2 submissions by Bootkik, a entrepreneurial learning platform in Calgary. Winnipeg's bid was also featured on the front page of the *Seattle Times*.

YES! WINNIPEG INVESTOR DIRECTORY

Completely redesigned for 2017, YES! Winnipeg launched its new investor directory at the Investor Breakfast. Filled with editorial articles profiling investors, this is a key tool to help promote investment in Winnipeg.

[CHECK OUT THE DIRECTORY HERE.](#)

IS WINNIPEG THE REAL MAGIC KINGDOM?

A Calgary family documented what they thought would be a pleasant surprise for their children. Originally planning to head to Winnipeg, the Byers family surprised their kids with a trip to Disney World instead. Rather than being excited about going to Disney, the children were furious. Their reactions, caught on video by the parents, was repurposed by Tourism Winnipeg in a campaign and distributed over social media. The campaign went viral, with the video becoming the most-watched organic video in Tourism Winnipeg's history. To date, the video has been viewed over 300,000 times and garnered over 18,000 reactions, comments and shares.

[WATCH THE VIDEO HERE.](#)

NEW IMAGE GALLERY

A brand-new image gallery with Winnipeg-centric images was created specifically to be used by for-profit companies. Many requests to access Tourism Winnipeg's original media gallery did not fit the criteria of being a non-profit business, so a new one was created in order to fill this demand and help propel the Winnipeg brand through new channels.

[VIEW THE GALLERY HERE.](#)



SHOP LOCAL

A brand new section on tourismwinnipeg.com was created to highlight local artists, designers and producers and showcase Winnipeg's shop local scene. This section will help visitors and locals find unique Winnipeg and Manitoba-made gifts.

[VIEW THE WEBSITE HERE.](#)

LEISURE WINTER CAMPAIGN

Building on the success of the 2016 winter campaign, the Winnipeg Winter microsite has been completely redesigned and updated for the 2017-18 season, complete with a new feature winter video.

[VIEW THE WEBSITE HERE.](#)

LEISURE HOLIDAY SHOP & STAY CAMPAIGN

The Leisure Summer campaign targeted an 800-km radius around Winnipeg, to position Winnipeg as a holiday shopping destination. Partners offered a "stay two nights get the third free" discount. Results improved significantly year over year, bringing more than 15,000 visitors to the niche landing pages, with 2,042 packages being selected, 1.4 million impressions on digital and social media.

MEDIA RELATIONS HIGHLIGHTS

CORPORATE MEDIA

Winnipeg is coming up in the world, no matter what the cynics say

Dayna Spiring's year-end editorial was featured in the *Winnipeg Free Press*, where she argued that our city's upward trajectory deserves attention and celebration. Highlighting some of 2017's biggest successes in our local business community, the column shines a light on the stories that everyone should be talking about.

[READ IT HERE.](#)

"City's Amazon bid 'well worth the effort'"

Winnipeg Free Press business reporter Martin Cash was at YES! Winnipeg's Investor Breakfast in November, where

Dayna Spiring talked about Winnipeg's bid to attract Amazon's HQ2 and its long-term positive impacts for Winnipeg's business sector.

[READ IT HERE.](#)

"Winnipeg over Disney? Calgary boys unimpressed with parents' surprise trip south"

2017's most viral Winnipeg tourism-related story all started with a story in the *Winnipeg Metro*, featuring the Byers family from Calgary. The video became a nation-wide sensation, and was used by Tourism Winnipeg in a regional tourism campaign in November.

[READ IT HERE.](#)

TRAVEL MEDIA

A total of 11 travel writers were hosted this quarter.

Prominent articles include:

"Quick Trip to Winnipeg" by hosted travel editor Dominique Lambertson in Air Canada's in-flight magazine/ website *enRoute* featured eight things to see and do to make the most of a Winnipeg getaway.

[READ IT HERE.](#)

Lufthansa Magazine, the German airline's in-flight publication, had a six-page feature on winter attractions in Winnipeg titled "Fun in the Fridge" by hosted travel writer Marco Tripmaker.

German high-end consumer magazine *Reisen Exklusiv* had a nine-page feature on Winnipeg's stand-out attractions, legendary music scene, and emerging design and culinary scenes by hosted travel writer Marie Tysiak.

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