



SUSTAINABLE DEVELOPMENT  
TECHNOLOGY CANADA™

Partnering for real results.



- SDTC began operations in November of 2001
- Registered as a not-for-profit, non-share capital corporation
- Operates as an arms-length independent organization
- Accountable to Parliament through the Minister of Natural Resources
- Funding allocation of \$1.05B from Government of Canada



SDTC operates two funds:



**SD Tech Fund™**

SUSTAINABLE DEVELOPMENT  
TECHNOLOGY CANADA

\$550 million SD Tech Fund™ was launched on April 4, 2002.



**NextGen Biofuels Fund™**

SUSTAINABLE DEVELOPMENT  
TECHNOLOGY CANADA

\$500 million NextGen Biofuels Fund™ was launched on September 12, 2007.

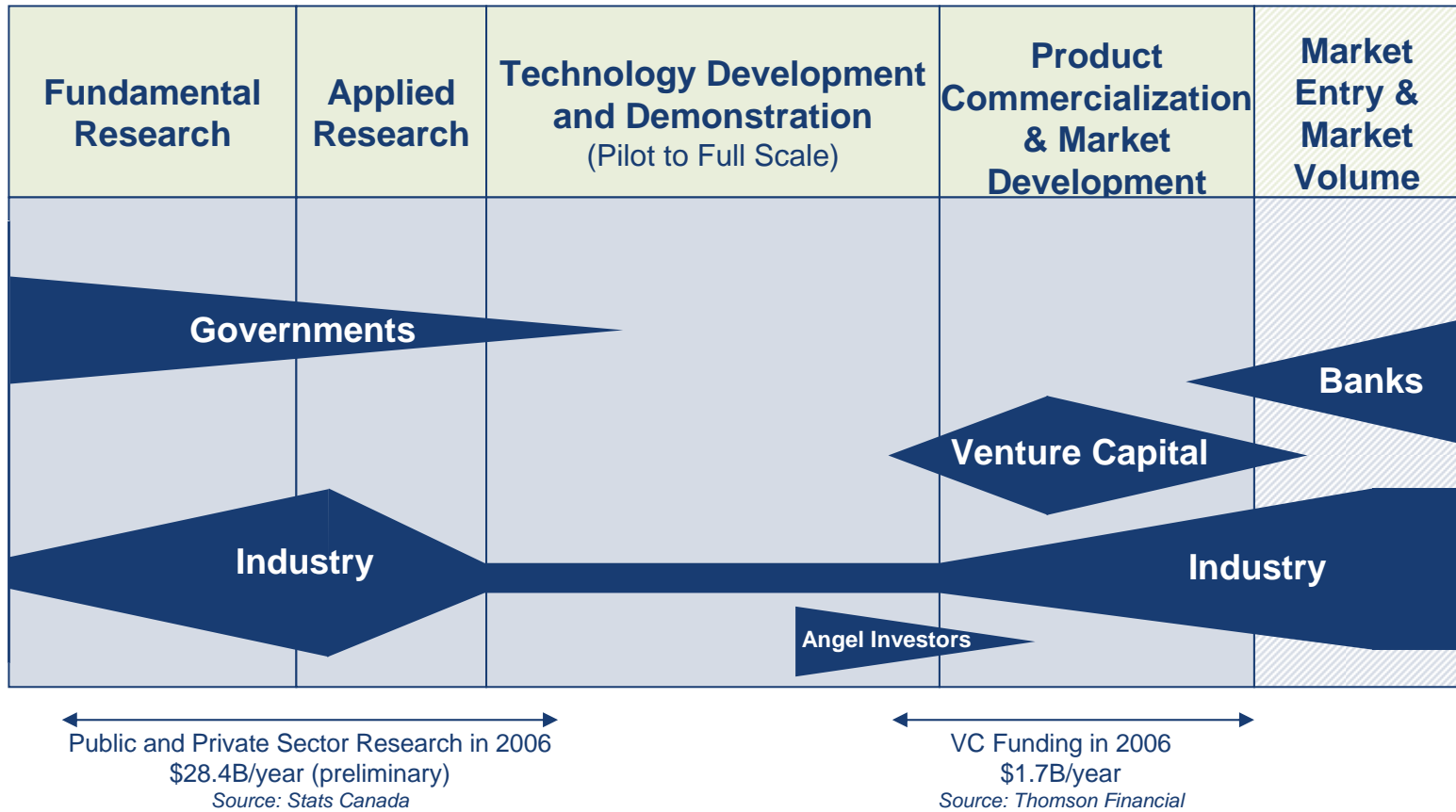
*The funds are complementary and address different gaps in the Innovation Chain*



The purpose of the SD Tech Fund™ is to:

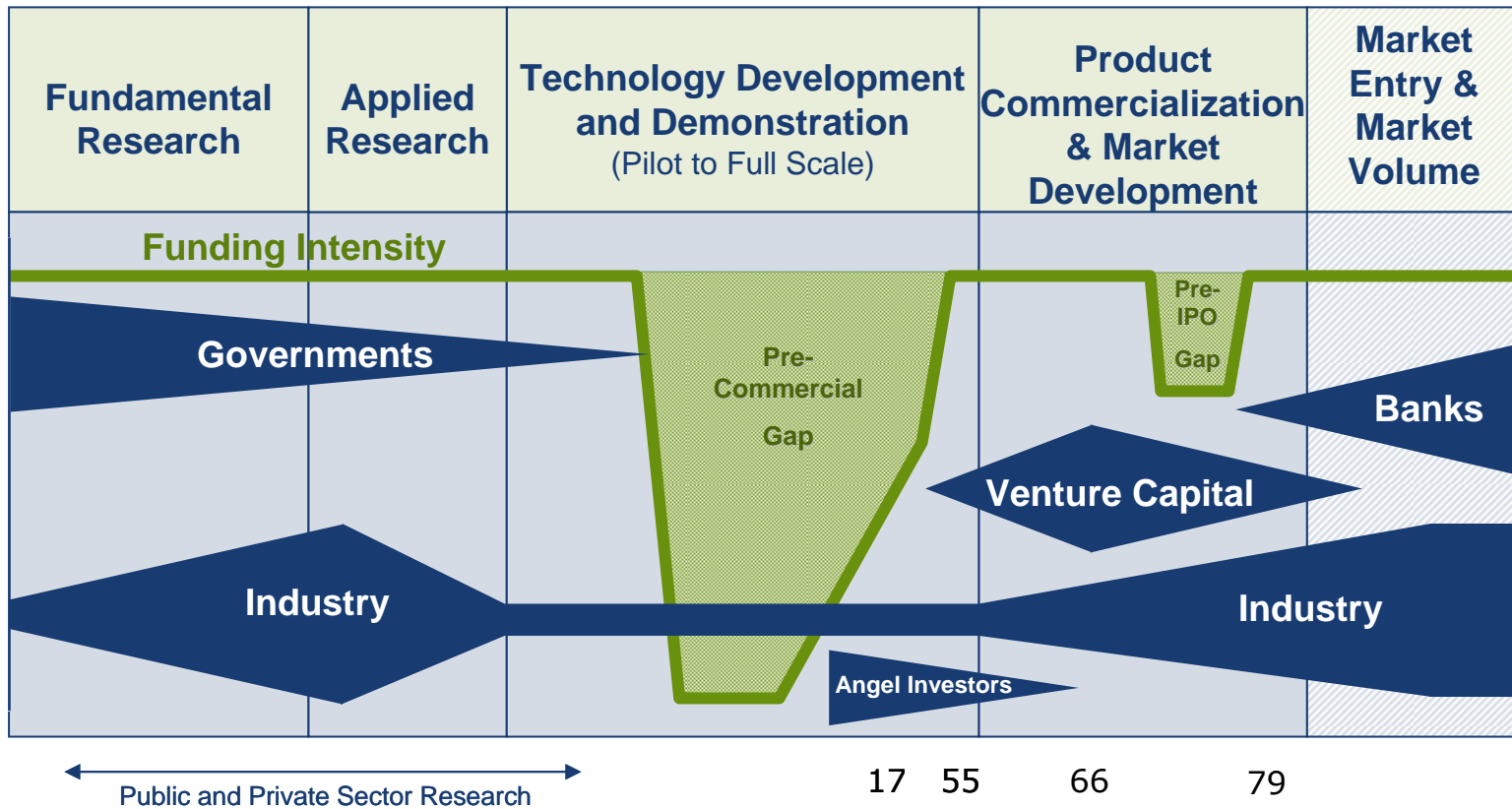
- Support the late-stage development and pre-commercial demonstration of clean technology solutions that address:
  - Climate Change } = **\$350M**
  - Clean Air } = **\$350M**
  - Clean Soil } = **\$200M**
  - Clean Water } = **\$200M**
- Encourage the formation of new partnerships that form the basis of sustainable clean tech supply chains
- Increase number and rate of uptake of clean technologies into relevant market sectors.

# Sources of Funding



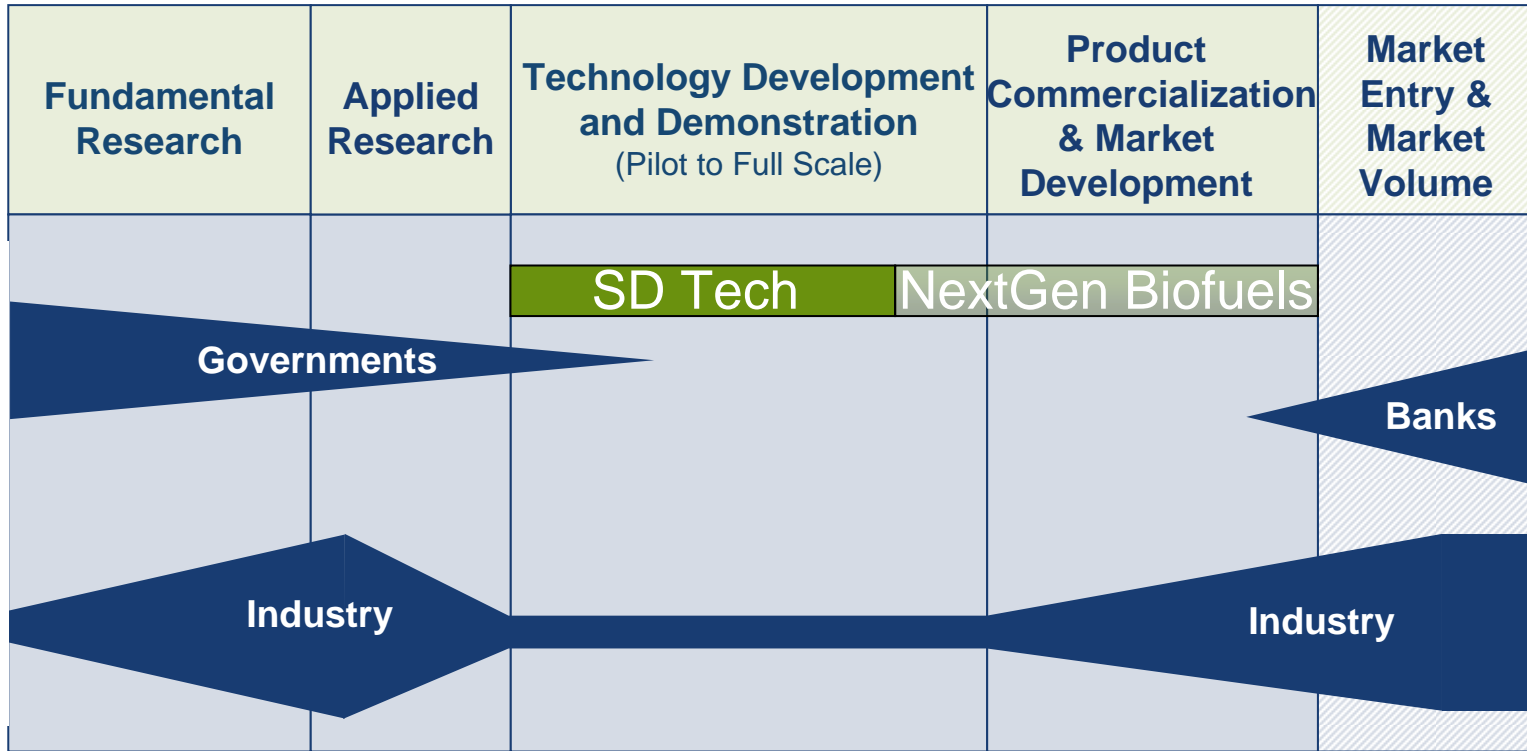
*The sources of funding in the Innovation Chain are predominantly available for research and commercialization*

# Funding Gap – Pre-commercial



*Lack of funding for technology development and demonstration creates a Pre-Commercial Gap in the Innovation Chain*

# SDTC Addresses Funding Gaps



*The NextGen Biofuels Fund and the SD Tech Fund are positioned to complement each other*



- Most commonly identified barriers to commercialization of new remediation technologies:
  - Liability
  - Regulatory
- Other real barriers:
  - Scarcity of funding
  - Disconnectedness among players in innovation chain
  - Customers worried about being guinea pigs
  - “Tried and true” mentality
- Key enablers required to overcome these barriers:
  - Real life demonstration sites
  - Collaboration with industry partners
  - Sufficient funding for demonstration
  - Actively involved regulatory bodies
  - Supportive government policies & regulatory approval





## There is a need for:

- New technologies that can remediate contaminated sites:
  - Faster
  - Cheaper
  - More completely
  - More sustainably (*i.e. in situ, on-site*)

## And

- Improve upon existing technologies:
  - Expand the breadth of application of existing technologies (*i.e. prove out in varying site conditions and with different contaminant mixes*)
  - Increased performance



- Innovation – new technology or new application of an existing technology
- Clean Technology – GHG, Clean Air, Soil, Water (*prevention, reduction, cleanup, enabling technology*)
- Post R&D and Pre-Commercial (no revenue)
- Lead proponent cannot be government
- Proof of concept completed
- Minimum 25% consortium funding
- Project consortium



## “Go-To-Market” Consortia should include:

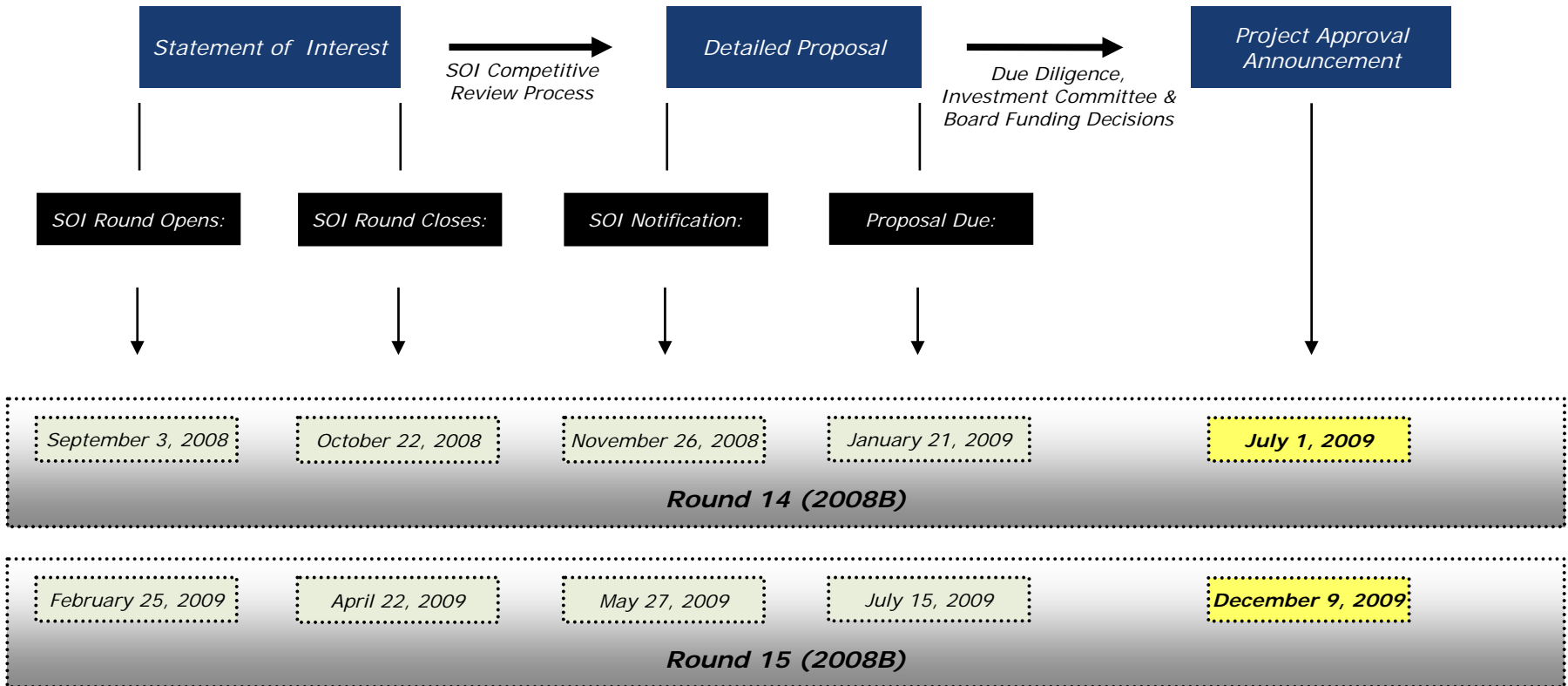
- The managerial, business planning, financial, strategic and technological expertise to carry out the project
- The key players in the value chain for the given technology market
  - *i.e. Researchers, Technology developers, Key Technology Suppliers, Engineering / Environmental Consultants, Investors, Demonstration host (representative customer)*
- Consortium Members should contribute Cash and / or In-kind contributions



## Key Elements of a Successful SD Tech Fund™ SOI:

- Level of Innovation
- Magnitude of environmental benefits
- Industry leverage & partnerships (consortium)
- Potential for broad and rapid market diffusion
- Generation of (defendable) intellectual property
- Strategies on how to handle intellectual property
- Inherent technical and / or markets risks
- Strategies to mitigate technical and / or market risks

# Staged Funding Process





## The SD Tech Fund™ is structured to increase the success rate of pre-commercial, unproven technologies

- ✓ Provides pre-Venture Capital investment into the development and demonstration phases (~1/3<sup>rd</sup> of project costs)
- ✓ Contributions typically range from several hundred thousand to several million
- ✓ Cash contributions are non-repayable and requires no equity
- ✓ Allows established businesses to allocate existing resources to run their core business
- ✓ Allows startups to defer or avoid equity dilution financing while building up value
- ✓ Startups often become venture grade or technology bankable at the end of the project

# SDTC is Making the Cleantech Market in Canada



*“SDTC has been of terrific assistance to our portfolio companies. It forces start-ups to engage with partners and form consortia that result in lasting value. To me, SDTC is a key competitive advantage of building a cleantech company in Canada.”*

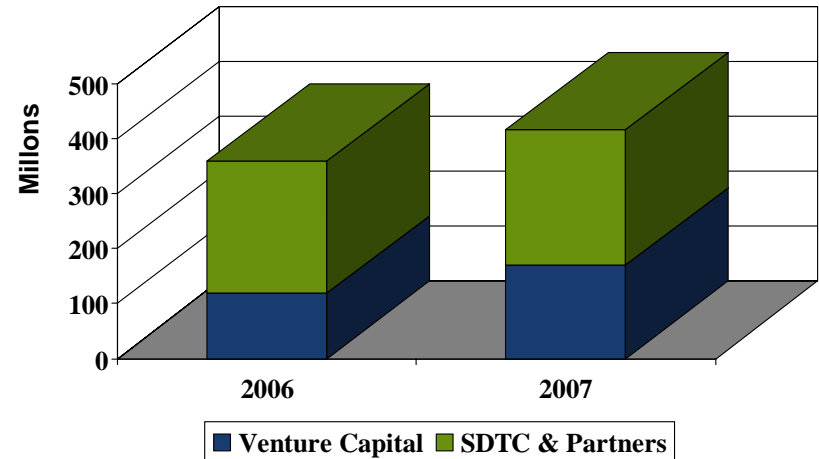
**David Berkowitz, General Partner, Ventures West Capital**

*“I would say SDTC’s program is one to be proud of. It has a very impressive record of creating partnerships between industry and investors.”*

**David Henderson, Managing Director, XPV Capital Corporation**

*“SDTC is doing a very good job helping companies reach commercial demonstration for their products through its funding and support of industry consortia.”*

**Claude Haw, Managing Partner, Venture Coaches**



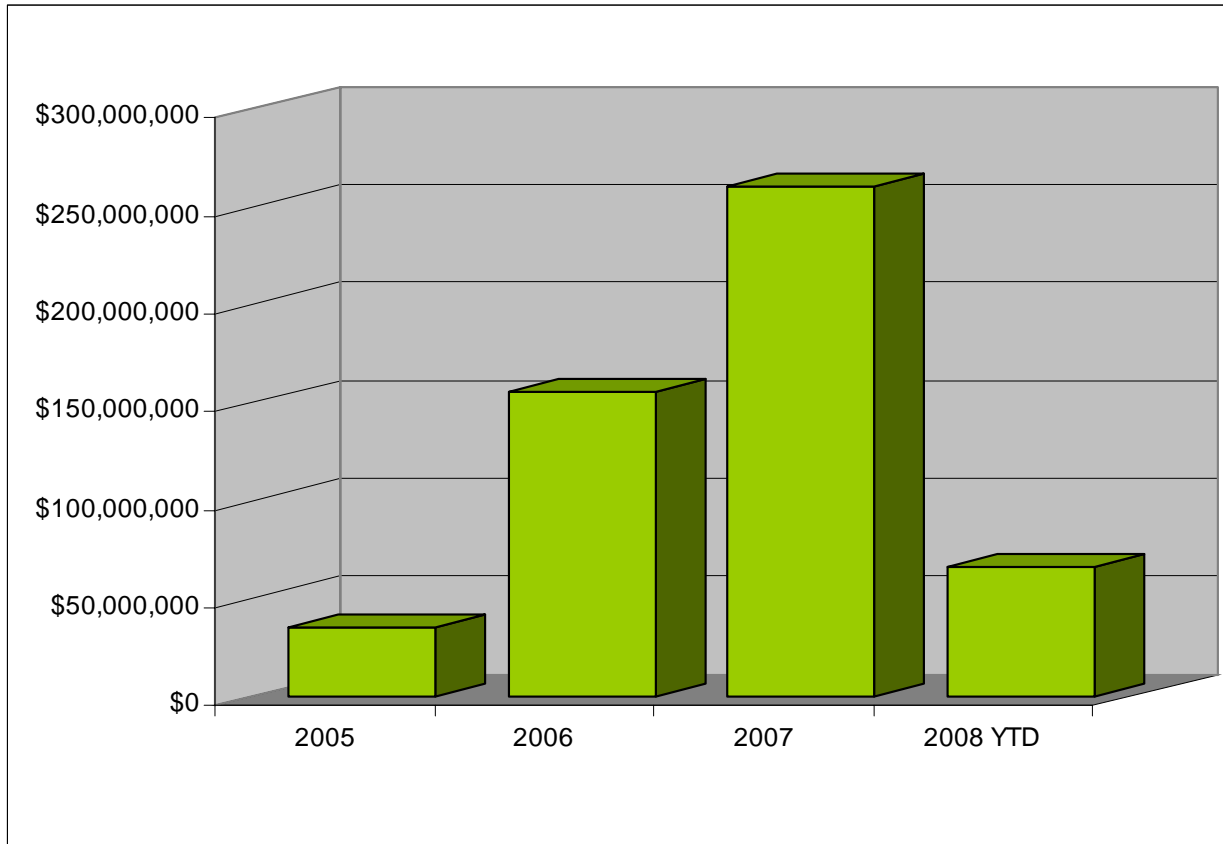
Source: Thomson Financial

***SDTC and partners invest 1.5x the total private investment in cleantech, driving overall cleantech venture capital funding in Canada.***

# Follow-on Investors attracted to projects SDTC had invested in



## Follow-on Investments\*



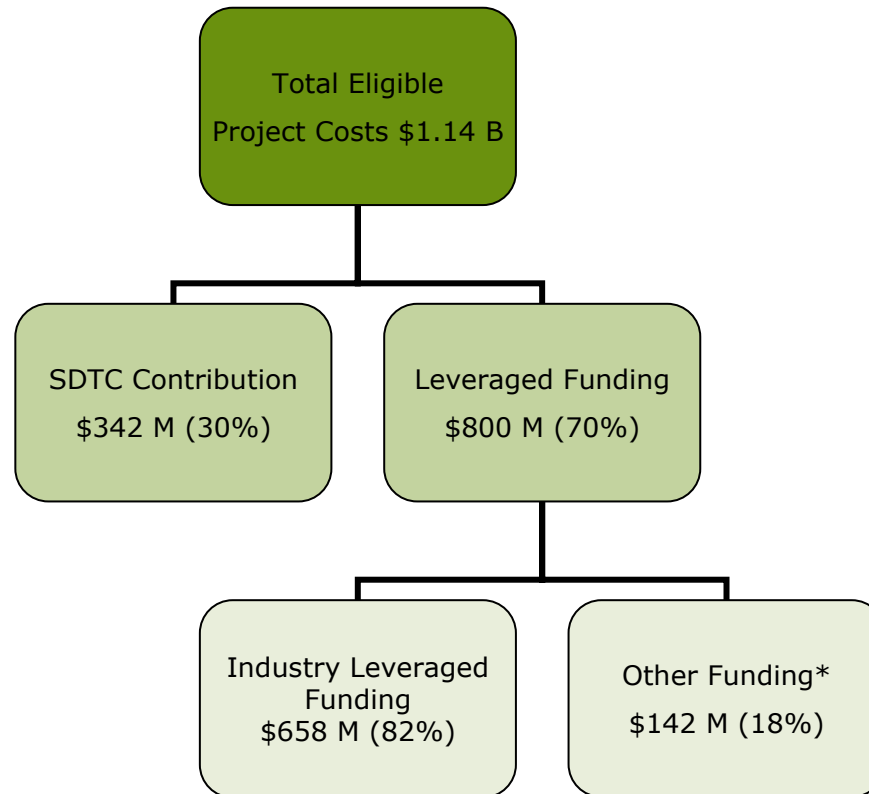
\*Based on publicly disclosed financings to SDTC-funded companies.

***Projects into which SDTC has invested \$70M have raised over \$513M in follow-on funding in the past three years.***





## 144 Projects Approved to date over 12 Rounds



\* Includes funds from federal departments, provincial governments and academia



## Talk to us before you apply:

Zoltan Tompa  
Director, Applications  
613 234 6313 x234  
[z.tompa@sdtc.ca](mailto:z.tompa@sdtc.ca)

---

Sustainable Development Technology Canada  
45 O'Connor Street, Suite 1850  
Ottawa, Ontario K1P 1A4  
[www.sdtc.ca](http://www.sdtc.ca)