



Export Plan

Company Legal Name	TEQTIVE Inc
Main Contact	*****
Secondary Contact	*****
Preferred Email	*****
Preferred Phone	*****
Website	*****
Company Address	*****



NATIONAL PARTNERS



EXECUTIVE SUMMARY

Value Proposition:

We are the only complete end-to-end Operations Flight Management Software on the international market tailored to commercial helicopter companies. With our Soniq software, your company will pass the next Transport audit with flying colours. Soniq makes you safer, saves time and is proven to drive down your operating costs.

We are a SAAS model company. In the past year, we've expanded to include the small-to-medium commercial fixed-wing market. For 2018/2019, the primary target market for Soniq software is the Canadian CAR 702 and 703 operators along with the US equivalent part 135 and 95 Helicopter and fixed wing aircraft operators. We now offer 15 different modules related to the details of flight planning, monitoring and managing for the entire fleet and company, all designed to meet the legal requirements of our highly regulated industry.

**Reference Business Plan Appendix A*

Strategic Plans:

We are currently expanding the development of the software to meet the needs of air cargo, air medical, rotor wing aviation schools and the small aircraft markets internationally. At this time we are exporting to 4 American customers and in September 2018 we onboarded our first Australian customer.

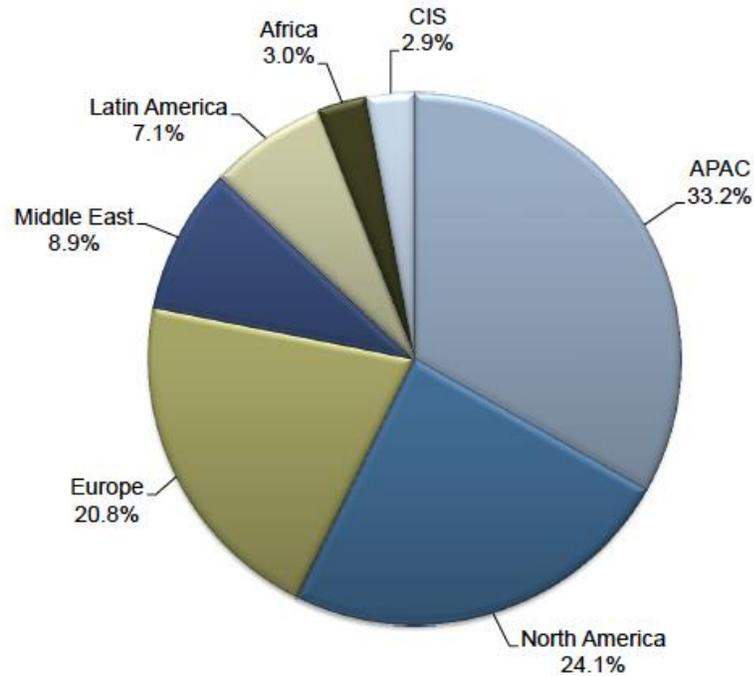
We are planning to reach 1% of the US market in 4 years, and 2% of the Australian and New Zealand markets in the next 12-18 months. Increased export recurring annual revenue is projected to be 1.7million by 2020.

The United States is arguably the largest commercial aviation market in the world, followed by the Australian-Pacific market (which has the largest regional distribution of commercial aircraft globally). Australia and New Zealand jointly represent the third-biggest civil helicopter fleet in the world.

Australia alone has more than 2,150 helicopters, ranging from single piston-engine light VFR aircraft to twin-engine IFR machines designed for night and all-weather SAR and offshore operations; more than 3,500 pilots; and more than 2,600 engineers.

Production—Operators' Regional Distribution 2016–2025

Commercial Aircraft: Regional Distribution, Global, 2016–2025



Note: All figures are rounded. The base year is 2016. Source: Frost & Sullivan

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Differentiator

Soniq software is substantially different than any aviation management software currently available because we are a mobile solution. Competing software solutions for TEQTIVE's target market are piecemeal apps or very limited single function apps, and none offer the integration and breadth of features and functions, and flexibility of all platforms (across Android and iOS) that Soniq provides.

International Marketing

Our international marketing strategy is based on the following tactics which we will roll out over the next 24 months: Direct industry B to B referral campaign (supported by helicopter and fixed-wing association memberships and promotional association trade shows in target countries), direct referrals from trade commissions, a robust digital marketing campaign focused on internet searches and Adwords, promotional partnerships with aligned non-competing industry retailers, and strategic traditional advertising in reputable industry magazines.



Operational Resources Required:

In order to meet our ambitious export expansion plans, we need:

- 1) **Two new regional sales consultants** – one in each of the countries we've targeted for export (United States and Australia).
- 2) **Targeted Business Development Team** (Mike Kleywegt and Kim Latimer) who will oversee the Trade Commissioners campaign; oversee international sales and oversee internal development and the in-house customer support team.
- 3) **Marketing budget** to cover the costs of industry advertising including: association fees, trade shows (HAI Atlanta, United States and Rotortech 2020 Australia Helicopter Industry Association), and to support the business to business referral campaign and targeted digital/industry magazine advertising campaigns.
- 4) **One additional programmer** to support the contracted build a Learning Management System that will offer training, troubleshooting, guidance; and to build a 24-hour bot support and response system that will function across international time zones.
- 5) **Contract safety/regulatory expert** to help plan nuances of regulations that differ in US and Australia so we can build custom areas of the software to meet the regulation requirements of FAA (US), Civil Aviation Safety Authority (Australia) and the Civil Aviation Authority of New Zealand (CAA)
- 6) **One additional customer support officer** to work with our current support staff - organized into shift and on-call schedules to create a person-to-person phone support for all new and current clients.

Sales/Cash Flow:

*See attached cash flow and sales projections

COMPANY OR SITUATION ANALYSIS

Company Profile

Soniq Background:

Our company, TEQTIVE, is a majority-owned First Nation aviation software business located in Thunder Bay. The innovative entrepreneur and lead developer, Michael Kleywegt is an experienced helicopter pilot, who is now a software developer and the CEO of TEQTIVE.

Our flagship product is called Soniq – it is the suite of Operations Flight Management tools that we offer. The Soniq software package that we develop is the only completely mobile Flight Operations Management software available on the market that is tailored to meet the needs of the entire operation with a focus on the owner and management of the business. Our competitors tailor their software to individual pilots – on separate apps for each tool. We are an all-in-one, mobile solution, that’s our differentiator. Our software also works across every software platform including Mac, PC and Android, on all computers, phones and devices.

In our first few years, we focussed on the commercial Canadian helicopter market. We began with 5 tools; we now offer 15 different modules. We’ve also since expanded the software to service not only helicopter aviation companies but also small and medium fixed-wing market, air cargo, air medical, rotor wing aviation schools and small aircraft market primarily in Canada.

Since inception in 2015, our growth has been steadily climbing in Canada. We have 38 commercial helicopter companies onboard, including our first few international clients in the US, Australia and Europe. On September 15, 2018 we had 308 aircraft subscribed to the software.

We have excellent feedback from Transport Canada, and from our clients, who say our software is improving their safety and auditing processes. We are also expanding our Safety Management System (SMS) and in March 2018 we rolled out a robust SMS module.

Since inception, we have been very fortunate to have received assistance from NOHFC, IRAP and CEDC locally. We have hired our NOHFC intern on as a full-time employee and we’re hiring another local intern this year to join our programming team.

Patents:

We hold two patents on our software, one on the 3 Tier Alerting System and another on our Weight and Balance module. These are exclusive US patents of which we own the intellectual property.

Ownership and Management

TEQTIVE is a corporation. The CEO is ***** (51% owner), and President is ***** (49%).

President

***** is a co-owner of TEQTIVE in addition to owner and operator of Blue Sky Helicopters Ltd. With over 38 years of experience in the aviation industry, he has built a reputable thriving business in Thunder Bay. Blue Sky employs 22 full time staff and another 15 seasonal and contract employees during the summer_months. Through his excellent business and people skills, ***** has engaged in numerous exploration contracts_and willingly engages in some projects which would stretch other operators beyond their limits.

CEO / Lead Developer

***** is designated as the lead developer and CEO of TEQTIVE. In 2015 ***** successfully commercialized TEQTIVE with the flagship product, Soniq, an Aviation Flight Management System. ***** brings 15 years and 5000 hours of pilot in command aviation experience to this project and has additionally acted as lead on several development projects that include: digital aerial photography system software and hardware development; custom ArcPad development and modifications; database development; aerial application swath guidance system development; assisted in custom aircraft equipment development and certification; recent porting of bridge asset management system from access to ASP.NET with SQL backend.

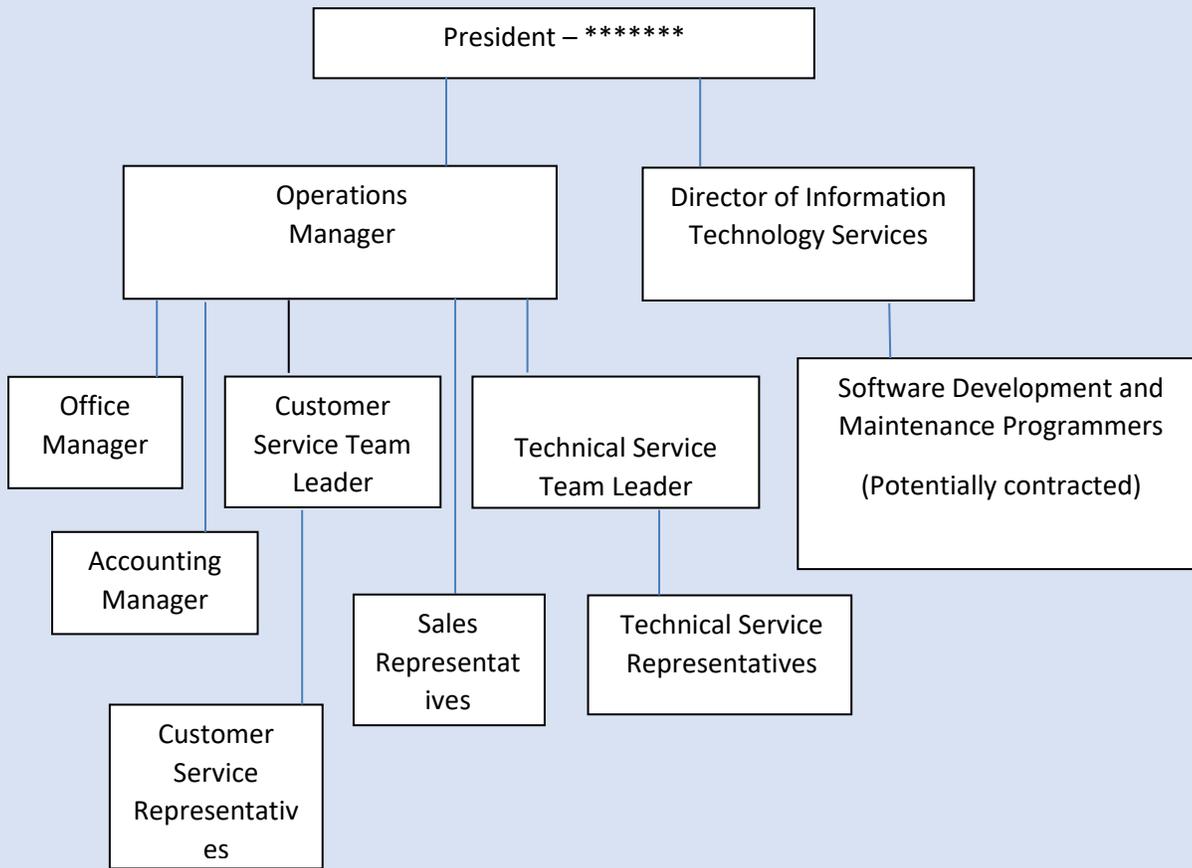
TEQTIVE Overview

TEQTIVE provides an Aviation Flight Management System known as Soniq using a SaaS model. Current customer base is situated in North America and continues to grow internationally. Current customers serve several aviation industry sectors including: Forestry, Mining, Utilities, Construction, Transportation, Flight Training, and Law Enforcement.

With limited competition in the market, TEQTIVE strives to capture an industry lead through strong connections with our clients, efficient management, well trained and courteous staff, on-going development, and competitive pricing. TEQTIVE utilizes Simply Accounting for tracking internal costs and cost segregation.

Since being established in Thunder Bay Ontario in 2015, TEQTIVE has grown to a staff of 8 full time employees and 2 contractors. Currently, 98% of revenues are derived from services provided within Canada. However, the Canadian market has proven to be a seasonal sales cycle (fall/winter) which is the reason why we want to explore international markets.

ORGANIZATIONAL CHART:



Brief Overview of Staff:

The company is supported by a core group of 8 full-time employees: 2 sales, 3 programmers, 2 demo-set up staff, 1 Technical Support Officer, 1 marketing/HR, 1 book keeper.

- ***** - CEO, Lead Developer
- ***** – President
- ***** – Marketing, HR, Business Development
- ***** – Technical Manager
- ***** – Technical Manager
- ***** – Director of Sales
- ***** – Sales Consultant
- ***** – Programmer
- ***** – Technical Support Officer
- ***** – Book keeper/Accounts Payable
- ***** – Intern Programmer

In 2015, the company began with 4 employees. Since that time the company has grown to 8 employees. There has been no loss of employees since inception 2016.

What Soniq Does:

Soniq software is one of the only mobile management systems on the market. It offers flexibility through online and off-line capability, improved safety using automated flight-tracking alerts, regulatory compliance by generating reports on demand, and cost-savings by reducing the time needed to report.

All in all, the software system can account for a wide variety of flight management requirements, including:

1. Aircraft Weight and Balance
2. Flight Planning and Itinerary
3. Flight Plan Filing (tracks safety equipment as well as passengers, destinations and plan)
4. Pilot Flight Duty Time
5. Overdue Flight Follow-up (triggering email and text messages for overdue flights)
6. Transport of Dangerous Goods (by providing dangerous goods manifest, alerts, equivalency certificates and pilot notification forms)
7. Mapping and GPS tracking (as well as fuel cache tracking)
8. Company Documents including Pilot and AME documentation control and aircraft certificates tracking (tracks certificates and threshold warnings, FDT warnings, etc.).
9. Safety Management System (SMS)
10. Full accounts payable tracking using billing and invoicing to generate specific invoices, reports and expenses.

The outcome of using Soniq software include improved Transport Canada compliance, gains in management efficiency and Aircraft, Crew and Operations situational awareness, as well as better documentation and certificates control and renewal, safety improvements, tracking maintenance on field equipment, and secure data transmission and storage through 'cloud' computing.

Cloud computing enables software as a service. It is a broad term that refers to the delivery of software via the Internet. Companies don't need to maintain their own servers or install applications locally to use the software. It is hosted elsewhere on rented servers and accessed through a web browser. The Soniq software is sold by subscription. Built to use on smart phones, tablets and computers, it is deployed in 'the cloud', meaning all customers' flight management information is stored online on secure, reliable servers and accessed using encrypted data transfers for maximum security.

It's easy to use on mobile and tablet devices which means no need to invest in new hardware - no new computers, no new devices and very minimal training time.

Our Customers Say It Best:

"Soniq is much more robust than other flight management software I've used, including FlightOffice," says Cory Leahy, commercial helicopter pilot who has worked for several helicopter companies over the past 8 years.

"The reality is that every operator needs a solution and this is the future of flight management," says Mark Wiskemann. "TEQTIVE gives Blue Sky of peace-of-mind because it's improved our safety and accuracy, not to mention the time and cost savings. On top of all the value added, we can readily demonstrate to Transport and all auditing customers our compliance in all aspects related to operations, safety, and documents control."

"As a Private Operator, Valard construction had a difficult time Selecting a digital operating system that included an SMS reporting system which met all the requirements for CAR's 604. There were a select few SMS reporting systems that meet those requirements and a lot of digital operating systems out there but not one that did both like Soniq. The team at TEQTIVE not only have the full package they are continually improving and evolving their system to suit individual customer's needs, and they remain leaders in their field. Their support team has never taken more than a few hours to reply to any question we have. Keep up the good work," Mitch Brown, Chief Pilot Valard Construction.

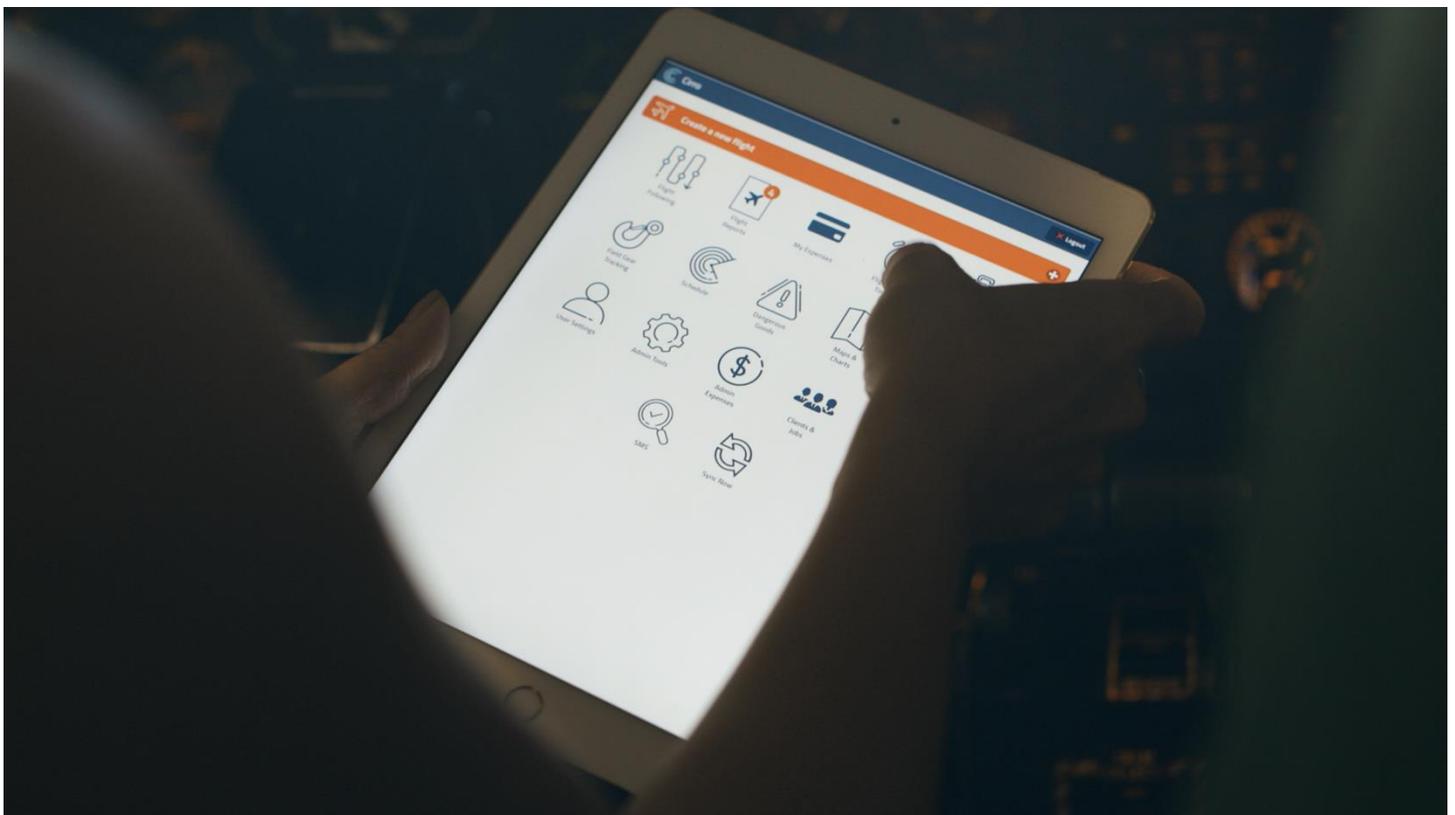
In 2016 Remote Helicopters selected Soniq flight management software, installing it on all of their computers and mobile devices used for the company's fleet of 11 aircraft. "It's exactly what we needed. Soniq is very easy to use and our pilots can access everything they need in a matter of minutes," says Jeff Lukan, President of Remote Helicopters.

International Experience

We onboarded our first Australian customer North Australian Helicopters and their entire fleet of 28 aircraft. We also have four current customers in the United States. We have growing interest in the product from New Zealand, Brazil, Papua New Guinea and Sri Lanka.

Our Sales Director, *****, has international industry experience which she brings to TEQTIVE. In her previous role she worked for an aviation Maintenance Software company that provided their system to 280 clients worldwide.

Also, our Marketing and Communications Manager, *****, worked in the UK for 5 years, travelling extensively to deliver media ethics courses in Ghana, Kenya, Sri Lanka, Australia and United States. She brings experience in international communications and marketing, she is also an accredited member of the Canadian Public Relations Society.



Company resources

	Internal Resources	External Resources
Financial Resources	<p>SAAS Revenue Model</p> <p>Current subscription and sales revenue streams combined with expansion capital from BDC will provide operating equity for the next year and provide us with the capacity to scale if necessary.</p> <p>Our 2019 financial plan provides flexibility to direct resources to our international expansions while servicing our debt obligations.</p> <p>The sensitivity analysis of our financial plan allows for extreme fluctuations of our forecast sales so execution of the export plan is not at risk until we fall below 10% of our sales forecast.</p>	<p>Access to Loans and Lines of Credit through BDC</p> <p>Letters of Credit</p> <p>FEDNOR</p> <p>Nishnawbe Aski Development Fund</p> <p>Northern Ontario Heritage Fund</p> <p>ITB</p> <p>IRAP (Round 3)</p> <p>SHRD</p> <p>Innovation Centre (Soft Landing –Media Fund)</p> <p>Future Resources:</p> <p>CanExport Program</p> <p>Going Global Innovation (R&D)</p> <p>Trade Commissioners Office</p> <p>Ontario Exporters Fund</p> <p>Export Market Access Program</p> <p>Export Manager Program</p> <p>Letters of Credit</p> <p>EDC Insurance</p> <p>MaRS Executive in Residence</p> <p>Export Guarantee Program (EDC)</p> <p>Private Investors</p>

Human Resources	<p>We have 8 full-time employees and two contractors:</p> <p>***** - CEO, Lead Developer (Senior Helicopter Pilot)</p> <p>***** – Marketing, HR, Business Development (International Experience)</p> <p>***** – Technical Manager (Contract Helicopter Pilot)</p> <p>***** – Technical Manager (Commercial Pilot’s Licence, Fixed-Wing)</p> <p>***** – Director of Sales (Based in Quebec, Bilingual Fr/Eng)</p> <p>***** – Sales Consultant (Based in Penticton, BC also contractor for non-competing Metro Aviation Company - Outerlink)</p> <p>***** – Programmer (Bilingual German/Eng)</p> <p>***** – Technical Support Officer (Business Degree, Marketing)</p> <p>***** – Book keeper/Accounts Payable (Bilingual Fr/Eng)</p> <p>***** – Intern Programmer</p>	<p>Law Firm: Buset LLP, Thunder Bay</p> <p>Accounting: MNP (consultant)</p> <p>Banking: CIBC & BDC</p> <p>-1 sales contractor</p> <p>-Graphic Design Contractors</p> <p>-Print Contractors</p> <p>-Digital Marketing Contractor</p> <p>-Memberships to HAI, HAC</p> <p>-Innovation Centre Support (Valuation & Financial)</p> <p>- 1 Safety Management System consultant</p> <p>*Future Resources Needed:</p> <ul style="list-style-type: none"> • Technical Support Officer • Programmers • Customer services reps • International Sales Consultant in US & Australia • A CFO (contractor to keep costs down) <p>-Memberships to Aviation Associations in target export countries</p> <p>-Lead contacts at commissioner services in United States and Australia</p>
Physical Resources	<p>N/A</p> <p>Office Space</p> <p>IT Equipment</p> <p>We are currently housed at the Thunder Bay International Airport, in shared space with Blue Sky Helicopters</p>	<p>Servers/Cloud Hosting</p> <p>Servers: Rackspace Services – datacenters located: North America, Australia, Hong Kong, Europe</p> <p>-Mapbox services: Delivering our mapping data globally</p>
Intellectual Resources	<p>Our Intellectual Property is our software package called TEQTIVE</p> <p>Two US Patents:</p> <p>3-Teir Alerting System: It is automated to send text messages, voice responses, and trigger mobile phone alerts on overdue flight itineraries</p> <p>Weight and Balance system:</p>	<p>Servers: Rackspace Services</p> <p>Mapbox – custom international online maps service</p> <p>Aviation Navigation Data and Charting</p> <ul style="list-style-type: none"> • Nav Canada • FAA • Air Services Australia <p>IP Lawyer</p>

	Automates the regulatory calculations of Weight & Balance based on aircraft types in the system. This feature is set up and custom to the company's fleet with custom aircraft profiles that account for field gear onboard.	
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S.W.O.T Analysis

Strengths (internal, positive factors) What you do well, competitive advantage?	Opportunities (external, positive) What market conditions help you out?
<p>We are the only complete software package on the market geared to operations – not just individual pilots.</p> <p>What we do best is our Flight Duty Times, Scheduling and Company Documents/ Certifications. Other apps are either not offering these at all, or not doing it well. We also have offline functionality for those flying in remote areas with no service which is the majority of Canadian and Australian Helicopter Operators.</p> <p>Internally, we have a dynamic team, with over half directly involved in the aviation industry. Being connected in the industry allows us more opportunity to take advantage of industry associations and direct B to B referrals. In terms of the helicopter operator community, it is very small and close-knit in Canada which is why we focus on association membership for marketing.</p> <p>We have few direct competitors, all competition is between individual apps for instance, Foreflight's Mapping competes with the one mapping module in our Soniq system.</p> <p>All operators are using Maintenance software systems now. We have the ability to integrate with an open AP to the most popular Maintenance Software Systems on the North American Market.</p> <p>We already have early adopters in the Canadian helicopter market who are naturally providing direct industry referrals in Canada, namely Remote Helicopters (Kelowna, BC) and Access Helicopters (Slave Lake, Alberta).</p>	<p>Although the international helicopter market is not forecasting large growth in the helicopter industry, it is not expected to decrease either.</p> <p>The market in North America is stable although the number of aircraft in production may decrease.</p> <p>The Australian Pacific countries represent 33.2% of the commercial market, which is why we are targeting them. We need to do further research in cooperation with the trade commission in Australia. We do see high numbers in terms of helicopter distribution in the market, signalling that it is a very stable. Most operators are similar in size to the average Canadian commercial helicopter operator with fleets ranging from 5-30.</p> <p>We see the increasing transport safety and audit regulations and standards to be a place where we excel. We lighten the burden for Operators to have to research new standards, changes and updates. We make it our specialty to deliver that for them and keep them abreast of all updates. For example, new flight duty time regulations will be enforced in Canada and we already are planning to integrate them into our system and we have a staff member (who is also a safety officer, Doug Carlson) keeping track of those changes and informing our development team.</p> <p>We are a majority owned First Nations company offering an innovative tech solution in a niche industry. For that reason, we have had much success accessing multiple levels of financing in terms of Government grants and loans that are available to the company.</p> <p>For the past two years we have focussed on the North American market and associations. We see a real opportunity to enter the Australian, Pacific market. We will be joining the RotorTech 2020 – Australia Helicopter Industry Association.</p>

<p>International Civil Aviation Organization compliant (Transport Canada/FAA compliant, Civil Aviation Safety Authority – Australia)</p> <p>Since 2016, we haven't had any staff turnover, and we have very low client turnover. Three companies have unsubscribed since we launched, one company went into bankruptcy.</p> <p>We know that our product is stable and reliable.</p>	<p>Australia, New Zealand and United States are all highly developed markets who function in the English language. The most volatile political environment is the United States with NAFTA negotiations stalling. Having said that, Australia and New Zealand are very receptive and view the Canadian industry as reputable and trustworthy.</p>
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<p>Weaknesses (internal, negative) What operational issues will hurt your growth? These are key challenges you will have to address throughout your plan.</p>	<p>Threats (external, negative factors) What export market conditions will need to be overcome?</p>
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<p>Our weaknesses include our challenge to scale-up pre-emptively should we be flooded with a number of new requests quick onboarding.</p> <p>We risk bottlenecks in set-up and training however we are working to mitigate that risk by training our technical support person to do demos and help with onboarding.</p> <p>In order to continue to scale the team to size, we need to raise capital. Capital is also required to deal with the pace of bug fixes, QA, development requests and custom development which is required.</p> <p>Recruiting affordable, high quality programming talent in Northern Ontario is also an ongoing challenge. We've begun to headhunt students directly from Lakehead University's school of computer science.</p> <p>Another challenge - but one that we see also as an opportunity - is keeping up with the ever-changing transport regulations (i.e. Flight Duty Times which is coming). This is one of the major challenges for Operators and one that we will take on (using our software) to take it off of the operator's already busy plate.</p> <p>We strive to access continued marketing/promo capital to drive sales and experiment with our targeted digital social media campaign. We will need to reassess its effectiveness in the US and Australian markets.</p>	<p>We risk other countries and companies duplicating the functionality of our product. For that reason, we safeguard all our IP on international servers that we secure ourselves (we have a robust security policy that we give to customers).</p> <p>We also risk that other products create mobile solutions that would compete with ours. Many of the piecemeal products currently on the market were developed for computers only.</p> <p>And last, but perhaps our greatest risk, is that someone steals or duplicates our IP. For this reason, we have been very reluctant to enter specific international markets and take on some international clients who do not meet our standards for credibility and background checks within the industry. This will be an ongoing challenge for us as a software company.</p> <p>In terms of the United States, NAFTA negotiations and setbacks are also viewed as a threat to our export plans and the "Buy American" political culture of the current administration.</p> <p>We do not have political concerns with the Australian pacific market, aside from a direct Australian competitor called Air Maestro which does not work on mobile platforms.</p>
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Company Goals and Objectives

Strategic Objectives for Expansion:

We want to export because we see opportunity, demand and need. We also receive on average, 20 leads per month from operators outside of Canada. We also are naturally seeing growth in that area and are already exporting in the United States and Australia.

One of the challenges we identified in the Canadian Helicopter Market is the seasonality of domestic sales. Majority of sales in the Canadian helicopter market peak in late fall, winter. In spring and summer sales slow in Canada as operators reach their peak “busy” season. There is a similar trend in the United States with regard to helicopter operators – specifically those specializing in firefighting services.

Having said that, we have identified both national and international stable helicopter services in helicopter sector services where we want to target our expansion. These helicopter services that tend to remain steady year-round without long delays or seasonality in services include (but are not limited to) the following:

- Oil and Gas
- Air Medical
- Paramilitary
- Aviation Schools
- Aerial Defense & Security
- Aerial Construction
- Aerial Forestry & Environmental
- Aerial Farming & Agriculture
- Sightseeing & Tourism
- Film & Photography
- Air Cargo
- Business
- Short Haul & Regional Transport

Because we began by targeting many operators in Canada – early adopters offered primarily firefighting, forestry, environmental services – the slow sales pushed us to reach into the United States, Europe and Australia for leads. Our early international adopters are American and Australian.

	Goals	Objectives
Short term (next 2 years)	Increase leads, sales and brand recognition in United States, Australia, New Zealand, United Kingdom	<ul style="list-style-type: none"> • Expand marketing based on culturally appropriate channels & by joining industry associations in target countries • Attend international tradeshows HAI, Helitech 2019 / Rotortech 2020 • Search engine optimization and keyword bidding for international target markets • expand digital marketing campaign to capture key audiences in Australia and US • Build a direct B2B referral program

	Utilize Soft Landing Program, Canadian media fund development program	<ul style="list-style-type: none"> • Visit 3 hot leads in target countries to offer face-to-face demonstrations of software and build relations
	Build relationship with trade commissioners in US and AU	<ul style="list-style-type: none"> • Use this export plan to connect with appropriate commissioners in target countries
When Necessary	Grow our programming and customer services departments to retain & deliver the highest-quality, reputable, trusted, dependable service	
Annually	Monitor tax laws regulations in current and future countries	<ul style="list-style-type: none"> • Ensure we are in compliance with tax regulations that may affect our SAAS billing practices
Long Term 2-4+	Partner with leading Aviation Schools in United States to develop niche solution	
	Hire sales consultants for International Markets	

INTERNATIONAL MARKETING STRATEGY

CLIENT PROFILE

<p>Who are your clients?</p>	<p>Small to medium sized commercial helicopter and fixed-wing operators (majority ranging in fleet sizes from 1-40).</p> <p>Majority of operators are members of aviation associations within each country.</p> <p>They are Owners and Operations Managers, as well as Chief Pilots usually aged 50+, majority male, usually highly experienced pilots.</p> <p>Our clients assume variable to high risk, they are all subject to routine safety audits and regulations, and most face high costs of aircraft, parts and maintenance functioning with smaller administrative teams.</p> <p>They are all seeking solutions to new regulations around safety management and risk assessment to determine safe flight protocols.</p>
<p>Who are the end users of your products?</p>	<p>Ops personnel, management personnel, pilots, maintenance directors, accounts personnel, and clients (i.e. non-aviation companies who contract aircraft and need to monitor and audit all of their jobs).</p>
<p>What are their precise wants & needs?</p>	<p>Our clients want:</p> <ul style="list-style-type: none"> -to be audit-ready -to monitor major service jobs -to communicate aircraft plans, passenger manifests and aircraft tracking -to expedite audit procedures -to improve safety standards -to file and track aircraft movements -to have access to all schedules and jobs planned -to go paperless -drive down costs <p>They are all seeking the optimal all-in-one digital solution to manage all aspects of their company. They want user friendly solutions that work across all platforms with mobile options and offline capabilities so they work efficiently from all locations, anywhere.</p> <p>They want to become paperless and have a complete end-to-end solution that include digital sign-offs from journey log book entries, down to customers digitally signing off on invoices at the end of a flight.</p> <p>They expect the software to integrate seamlessly with their maintenance software so that time on aircraft and parts can easily be determined, downtime for maintenance can be anticipated and pre-planned so they can optimize flight hours.</p> <p>They want a solution that is intuitive to use, something that is “touch and tap” friendly, and that is consistent and reliable for instance, will automatically update maps, NOTAMS, company memos, and update to all regulations.</p>

	<p>Owners and Ops Managers want the software to notify them and key staff of pilot training, medicals, currencies, duty times, schedules, and risk assessments. They also want to be able to monitor their entire fleet at all times.</p> <p>They want the all-in-one solution that syncs with the rest of the team including job records and accounts so they can monitor clients and jobs at all times.</p> <p>Perhaps most importantly, they tell us they want to be audit-ready with all of their company files and documentation to be available to Transport and Safety Boards at all times.</p> <p>*Conversion – how to do they convert, how to we retain them (Explore, Convert, Retain)</p>
Where do they buy from?	<p>They buy from, and are influenced by:</p> <ul style="list-style-type: none"> -online tools with high ratings on web search profiles -based on recommendations from others in the industry -reputable industry vendors who are association members and accredited in the industry -from one another -services recommended or that are the new state-of-the-art standards being used by accredited aviation schools
Which ones bring-in the most business?	<p>Those specifically servicing major industry sectors:</p> <ul style="list-style-type: none"> • Oil and Gas • Mining • Medical • Defense & Security • Construction • Agriculture • Tourism • Business • Cargo & Transport
Are your competitors targeting the same clients?	<p>Majority of our competitors are specializing in one or two of our current modules (such as Foreflight specializes in Maps and Charts)</p> <p>Competitors are targeting individual pilots</p> <p>Competitors are targeting operators on single platforms (Apple only, non-mobile, not full service products)</p> <p>Some are targeting the same clients but their targeting strategies are not clear</p>
Are your clients easily reachable? How?	<p>Reachable through associations</p> <p>Online search engines</p> <p>Airports</p> <p>Industry Associations</p> <p>B to B Industry referrals</p> <p>Direct phone & email</p> <p>Through Maintenance departments & contacts</p> <p>Via Chief Pilots</p>

	Via aviation schools (recruitment) Via regulatory services & safety officers Via satellite hardware providers Via helicopter and parts distributors
Where are they located?	Airports Major service centres Major Aviation States: California, Texas, Florida, New York Australian Aviation Hubs – Sydney, Melbourne, Brisbane, Darwin

MARKET ANALYSIS

Export Market Scope and Research

A) Sources of Market Intelligence

Industry associations, local competitors/allies, commercial banks, industry publications, data traders, Trade Commissioners.

B) Market Selection

Competitive advantages in logistics, cultural links, economic conditions, and technological aspects.

C) Competitive Analysis

**See Competitive Analysis comparison document*

P.E.S.T. Analysis

Political (includes legal and regulatory):

Labour law, consumer protection, environmental regulations, industry-specific regulations, competitive regulations, etc.

Political factors to consider include regulatory changes proposed and ultimately enforced by the Civil Aviation Safety Authority (CASA). CASA is currently in the consultation phase for Manual of Standards for Part 149 of CASR – Approved Self-administering Aviation Organisations.

Although comparable, Canadian rules and regulations are slightly different than those enforced in the Australian market. These differences will continue to be an important factor moving forward, however TEQTIVE is in a good position to adapt.

Economic (market trends):

Economic growth trends, taxation levels, government spending levels, disposable income, job growth/unemployment, interest rates, exchange rates, tariffs, etc.

There are currently 2275 registered rotary wing aircraft with the Australian Civil Aviation Safety Authority. The Australian rotary wing market experienced several years of growth up to 2016. However, since then the market has experienced little growth. Much of this is tied to the oil, gas and mineral exploration industries.

With the modest recovery of oil prices coupled with increased spending for offshore project development and maintenance activities, especially in the deep-water exploration and production (E&P) operations, the offshore helicopter services are expected to grow.

Behind North America and Europe, Asia is the third largest market for global rotorcraft exports, accounting for 31 percent of non-defense global deliveries in 2016. Australia, China, and Japan are the leading markets in this region.

Social (cultural conditions):

Demographics (age distribution, gender, race, family size, growth rates, etc.), lifestyle changes, population shifts, education, trends, cultural aspects, fads, diversity, immigration/emigration, health, etc.

Aviation businesses are investing in, and developing, new information-based technologies to streamline and automate manual processes. The rising impact of technological change on the skills training of the workforce will need to be closely monitored in the coming years.

Australian aviation employers have expressed concerns about the digital skills capability of key segments of the workforce in the aviation industry. Moving forward, TEQTIVE's adoption and usage is dependent on its usability and the degree to which it is intuitive for end users.

It's also worth noting that the Northern Territory in Australia has about 2/3 of all aircraft in the country.

Technological (access to IP):

Technological factors can determine barriers to entry, minimum efficient production levels and outsourcing decisions. Technological factors will also consider levels of R&D activity, automation, technology incentives and the rate of technological change.

TEQTIVE is in a good position to benefit from the global aviation IT trend towards the continued consolidation of IT systems or processes.

As an operator scales up operations, they often still put up with the same legacy infrastructure, particularly the IT that governs people, process and equipment. **The problem arising out of disparate legacy systems and point solutions will peak forcing a mind-set to change.** The consolidation of IT will also move beyond boundaries of individual enterprises and pave the way for a connect ecosystem, which will benefit all the players.

Political (includes legal and regulatory):

Labour law, consumer protection, environmental regulations, industry-specific regulations, competitive regulations, etc.

The Canadian (Transport Canada) and American (FAA) authorities signed a bilateral agreement in 2014 to promote rulemaking cooperation between the two agencies. Although there are some differences, the rules governing aviation services in the two countries are generally consistent. The similarities between the two governing agencies makes the U.S market that much more attractive.

Economic (market trends):

Economic growth trends, taxation levels, government spending levels, disposable income, job growth/unemployment, interest rates, exchange rates, tariffs, etc.

The U.S represents the largest aviation market in the world. There are approximately 200,000 aircraft in the U.S market that fit into TEQTIVE's target market.

Growth is anticipated in the helicopter fleet, particularly for turbine rotorcraft which will grow by 2.3% annually and represent 5% of the fleet by 2036.

Turbine helicopters also log the highest flight hours, averaging approximately 350 flight hours in 2015. In terms of type of use – external load and aerial agriculture log the highest annual flight hours per aircraft but have also seen recent declines in the number of aircraft performing that work.

There are approximately 500 members of the Helicopter Association International in the U.S. Although this does not represent the entire US market opportunity, it does provide a high level estimate of most likely customers for the Soniq solution, particularly those performing the types of operations the solution was designed to support.

Social (cultural conditions):

Demographics (age distribution, gender, race, family size, growth rates, etc.), lifestyle changes, population shifts, education, trends, cultural aspects, fads, diversity, immigration/emigration, health, etc.

As they continue to become easier to fly and drop in price, drones are expected to be embraced by anyone who wants an eye in the sky -- farmers who want to know where crops need water or fertilizer, companies that want to inspect equipment in hard-to-reach places and videographers who want to get stunning shots of subjects on the cheap.

The upward trend on drone usage provides an interesting opportunity for TEQTIVE's current products.

Technological (access to IP):

Technological factors can determine barriers to entry, minimum efficient production levels and outsourcing decisions. Technological factors will also consider levels of R&D activity, automation, technology incentives and the rate of technological change.

A white paper published by Ramco entitled Top 5 Aviation Tech Trends for 2016 looks at the trends that will impact the aviation sector. One of the trends is that technology led innovation will finally percolate all the way down to the shop floor – With growing pressure on competition, margins and customer engagement, innovation strategy is a no-brainer and in some cases the only option for survival.

Past resistance to innovation has been due to a variety of reasons such as technology fluidity, change management issues, ever evolving standards, difficulty in business case articulation and risk of failure to name a few. It is expected that acceptance of an innovation strategy will result in more innovative solutions being rolled out at the hangar, line station, airport bays and warehouses. Current innovations are around the areas of aircraft health monitoring systems, predictive maintenance, robotics, resource optimization and adoption of wearable and mobility solutions. The movement to

paperless is inevitable but IT vendors need to make data entry faster and better and focus more on automated data collection.

MARKETING PLAN

Marketing and Sales – Fixed and Rotary Wing Industry

Note: A separate marketing and sales plan will be developed for the drone industry or incorporated in with the fixed and rotary wing industry based on the results of the drone industry market research conclusions and recommendations. This section pertains to the fixed and rotary wing industry only.

Marketing Plan

Introduction

An effective marketing effort will be multi-faceted and designed to focus on the many unique benefits to end-users rather than the state of the art technical innovations embodied in the software.

The key benefits of TEQTIVE, which need to be promoted to potential Soniq customers in the Soniq marketing plan, include TEQTIVE's:

- Overall cost effectiveness/cost savings;
- Ease of use;
- Greater data accuracy;
- Improved operational safety environment; and
- Facilitation of the regulatory auditing process.

Marketing Services Assistance

Generator, a Thunder Bay based marketing organization experienced in the promotion of technology has been engaged to assist TEQTIVE with various aspects of the positioning and marketing of TEQTIVE. Generator provided assistance with:

- Development of TEQTIVE and Soniq branding, including names, logos and tag lines;
- Website development;
- User interface development\product visual design;
- On-line advertising development;
- Digital vignettes;
- Print communications; and
- Presentation materials.

Marketing services are overseen by Kim Latimer, our Communications Manager.

The following outlines some specific initiatives that are being employed in the Soniq marketing effort.

Website Development

Since many people today turn to internet searches to locate products and services that they need, an effective website for Soniq has been developed and ongoing upgrades are planned www.air-suite.com. The website has been designed with the customer in mind and has the following attributes:

- Is easy to navigate and keep up-to-date,
- Provides the kinds of user/technical information that prospective end-users would need to make a purchasing decision, and
- Spells out how the product is accessed and what equipment is needed for its use.

The value of the purchase of 'Google adwords' has being implemented now, and TEQTIVE is presently in month 3 of our adwords campaign which began in July 2018. In addition, Facebook posts and website blogs continue to be generated.

A comprehensive digital marketing strategy is currently in development. The contents of which will address:

1. Situational analysis of how TEQTIVE is using digital media now.
 - a. Audience and customer analysis
 - b. Competitor benchmarking
 - c. Online partner analysis
 - d. Own digital marketing review
2. Objective setting of mission and vision; goals, key performance indicators and analytics
3. Strategy of how to achieve the goals
 - a. Segmentation and targeting
 - b. Positioning and value proposition
 - c. Engagement and content strategy
 - d. Integrated communications strategy
4. Tactics optimizing the digital marketing activities focused on
 - a. Search engine optimization
 - b. Affiliate and partner marketing
 - c. Display advertising
 - d. Acquisition email marketing

- e. Social media marketing
- f. Event-triggered email marketing
- g. Customer service & support

Wikipedia Page

The development of a Wikipedia page for Soniq will be undertaken. A theme would need to be selected (e.g. safety enhancement, improved management oversight of air operations or the like) and Soniq would be used to illustrate how the objective of the selected theme is accomplished. More of the technical information could be provided along with descriptions of the features and functions, and their benefits to users. Once completed the Wikipedia page could be referenced on the website for those interested in more technical info. The Wikipedia article would be monitored to ensure that subsequent contributions were congruent with TEQTIVE's objectives.

Trade Shows

Trade Show participation is a key tactic in the Soniq marketing plan, since the industry places a lot of importance both on endorsements of other users, and on opportunities to *'touch and feel'* the product.

TEQTIVE attended the Helicopter Association International HELI-EXPO trade show in Las Vegas, NV, in late February 2018. TEQTIVE engaged with several interested operators some of which located outside of North America. Several new operators were closed at the event.

Promotional Materials

Promotional materials for distribution at trade shows, and sales meetings and for sending to potential customers have been developed. The materials developed include printed brochures, USB drives, mobile device holders, and giveaways have been produced with TEQTIVE's logo and contact information.

Video Demos

Several video vignettes have been produced that demonstrates each key module of Soniq and how it is applicable to typical flight operations. The videos are accessible via the Soniq website and through internet searches for air services management software.

Advertising

In the past, advertising was subcontracted to Ad Agencies - Generator Strategy Adversiting (Thunder Bay) and Branding Iron (United States). Ads are now designed and produced in-house and we have extended the development of on-line advertisements that appear now via LinkedIn, Facebook, and digital online magazines.

Google Ad-words and YouTube advertisements will continue to be purchased and specifically targeted to aviation users and applicable key word searches for aviation flight management software. Similarly, advertisements will be purchased in popular industry trade magazines such as Vertical.

White Papers

A white paper (and editorial articles) describing the state of the art in air services management software has been written for contribution to trade magazines. Updated articles will be completed annually.

Consultant Presentations

Presentations directed at consultants and re-sellers will be developed using the materials created for the webinars. These presentations will be produced for Q3 2018, or earlier if the need arises.

Business Oriented Networking Tools

As time permits, use will be made of selected business oriented networking tools to promote Soniq to a broader audience. Networking sites could include: E.factor, Fast Pitch, LinkedIn, XING, Networking for Professionals, JASEzone, and Cofoundr for example.

Patenting

Patenting of critical components of Soniq has been explored, as it would be advantageous to market Soniq as a patent pending technology. Currently, two patent applications have been filed in the United States (see Section #5.0, Intellectual Property Management).

Market Entry Strategy

Our investing strategies for moving forward offer a few options, however, we've highlighted in **green** below our desired possible pathways forward that bear different advantages and disadvantages.



(Source: FITT skills: International Market Entry Strategies, 6th edition)

Trading Entry Strategies	Advantages	Disadvantages
Direct exporting (to end-user)	<p>Most simple way for us to deliver the product. This is how we have been exporting to our first few clients in the US and Australia. It keeps everything centralized and straightforward.</p> <ul style="list-style-type: none"> -simplicity in billing/accounts -simplicity in keeping full control of product and IP 	<ul style="list-style-type: none"> -challenges with time differences -flow of customer support (time zones) -all directives and development are literally on the other side of the world for Australian customers
Indirect exporting or Licensing (via distributor, agent, or third-party)	<ul style="list-style-type: none"> -We would like to use a third-party or agent to help market and improve sales in-country -We are open to selling bulk priced licenses to distributors in non-competing fields such as maintenance software companies that integrate with our product 	<ul style="list-style-type: none"> -difficult to keep control of the sales process unless they agree to inputting/reporting through our Pipedrive software -other distributors could have different priorities, selling our product would only be an addition to their menu of sales -difficult to monitor and manage from Canada
eCommerce Platforms (portals, web)	N/A	N/A

Investing Entry Strategies	Advantages	Disadvantages
Branch/Sub Office	<ul style="list-style-type: none"> -This would be an excellent opportunity once we've reached a robust profit margin -Our sub office could be a virtual or satellite office that would only require one person to man 	<ul style="list-style-type: none"> -must reach a profit margin to consider this option -we are software, a physical office is not necessary for us to export we can use online virtual offices and web-conferencing with no additional overhead -we would need to ensure that the person manning this office is highly trained and very familiar with the product – they would also need to be able to do customer support
JV/Partnership or Alliance	We have considered this option in the past and it depends mostly on high levels of relationship building and trust.	We are open to this option but would require high levels of confidence and trust which requires time to build.

Investing in Production	Investment in development is ideal. We have several customers who request custom development at additional cost. We would like to plan incentive for custom dev work that benefits the whole. We are open to scaling up the company to assign programmers to custom projects if pre-payment or negotiation is settled up front.	We could end up in discussions about selling a stake in the company in exchange for high cost custom development. This could be seen as either an advantage or disadvantage depending on the customer's intention, and the time they require tying up our programming resources.
Merge or Acquire	This is what we believe will happen once we reach a considerable profit margin. We are working on the company valuation with this future intention.	This, once again, would take considerable relationship building and negotiation. It also means considerable changes to the company and having to share or be prepared to no longer control it's future direction.
Franchising	N/A	N/A

Describe which market entry strategy will be chosen to enter/expand your market and why?

Our market entry strategy is Direct Export. This allows us to retain control of the company, its strategic direction and continue to offer a high-quality QA tested product that we can get behind. At this stage, we anticipate the break-even point could be as early as January 2019. Until this point, we've been operating at a loss which has significantly narrowed since Spring 2018 when we saw a considerable increase in customer onboarding. We have a lot of confidence that we will reach significant profits in 2019.

Until we reach a comfortable profit margin including strong recurring monthly and annual profit, we are not in a strength position to negotiate other options. Having said that, we've had American acquisition interest (which resulted in stalled negotiations with Flightdocs in May 2018). We've also had high level, high-cost custom development requests - a \$1million dollar custom development ask by a paramilitary operator in the United States (still in negotiation). We are more than happy to negotiate custom development based on risk assessment and a percentage-based down payment that would allow us to scale up to meet that demand.

We know we have a very strong product in comparison to others on the market. We are confident in our ability to continue to increase sales exponentially over the next 18 months, and we have robust development plans which will elevate the product with **Soniq Plus** (our 2.0 version already in development). Direct market entry is our lowest risk option, however, we are always open to discussions that may lead to greater growth opportunities for the company.

Our Products and Services

We will succeed in our new markets if we can ensure that we meet all regulatory and Operations considerations. Perhaps our largest advantage, is that we are already actively exporting to the United States and Australia (we onboarded our first Australian customer this September 2018).

Positioning

We've honestly positioned ourselves as world-class leaders in Operations Flight Management for small-to-medium sized helicopter and fixed wing companies. We offer customizable software solutions. We pride ourselves on meeting customers needs through custom development, high quality QA processes, audit-ready evaluations and a proven track record with our early adopters in Canada and the United States. Our product is so good that one of the largest Maintenance Software Companies in the United States – Flightdocs - tried to acquire it (too early). We know we are a few years ahead in development in comparison to our competitors.

Differentiation

The single most distinct benefit of our product is that we are mobile. The second most distinct differentiator is that we follow and implement regulatory standards into our development plans. This reassures our customers that they can rely on our product and will be able meet regulatory audits. We put the highest value on safety in the industry, so our SMS product, and risk assessment checks and balances that are built-in give operators the peace of mind they need to have confidence in a fully digital product.

Adaptation

Our adaptation requirements are very low. We are targeting markets who function in the international aviation standard English language. We have minimal modifications aside from specific job types and aircraft specifications which our software already allows the user to customize.

Some modification that we had to complete in order to prepare ourselves to enter the APAC region is to ensure we had regulatory custom aviation charts and maps. We completed that modification and are confident that our product meets the needs of our first Australian customer.

Pricing

Pricing is based on a per aircraft, per month basis. The average cost per aircraft per month is \$105 USD. We have individual modular pricing for those who prefer to only subscribe to certain tools within our suite in TEQTIVE. Our sales team recommends the annual subscription which offers more competitive pricing and varies depending on fleet size. The larger the fleet size that is subscribed, the better deal our customer receives.

**Distribution – N/A No physical distribution of goods and services*

Budgeting

*Please refer to the following Excel spreadsheets:

Foreign Market P & L Attached in Excel File: AS Financial Forecast.xls

Cash-flow analysis Attached in Excel File: Projected Monthly Cash flow September 2018-2020 - R1 FYE.xlsx

IMPLEMENTATION & ACTION PLAN –

**In Development – not yet complete*

CONTROL

One of the most challenging aspect of international trade is to monitor and keep control of all foreign activities, including sales. To keep track of goals and processes we have implemented a CRM software that is called Pipedrive. This cloud-based, detailed CRM that we report within has helped up manage and control all discussions along the sales cycle.

We are in need of establishing stronger standards and performance measures against standards to ensure we are reaching our target markets effectively and with consistency. Our control measures that we develop for the new target markets will be based on sales volumes, sales value, market shares gained, and consumer feedback.

Pipedrive

As we mentioned, the software CRM program that we subscribe to in order to monitor all sales is called Pipedrive. We use it extensively and our sales director is responsible for populating and managing it in meticulous detail. She ensures we document all leads, take action, monitor discussions, include detailed notes, next steps and follow up plans with attached deadlines. We rely heavily on this system and it has proven to be very manageable and efficient. Our entire management team at TEQTIVE has access to this cloud-based system at all times. For more information on Pipedrive, visit [pipedrive.com](https://www.pipedrive.com).

We are working on an internal plan to set appropriate lead generation and sales quotas for all target markets. We are working to establish competitive standards and performance measures to monitor outcomes and quarterly company targets. We have found this challenging and we are seeking sales management mentorship from external resources in partnership with our sales director ***** who has over a decade of experience in the aviation industry.