FABrIC IoT Product Development Challenge

Round 2 FAQ and Q&A

FAQs – Frequently Asked Questions

- This document is not intended to replace or replicate the FABrIC IoT Round 2 Guide. Please reference fabricinnovation.ca/product-challenges for IoT Challenge requirements and resources, or contact challenges@fabricinnovation.ca.

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Challenge Objectives and Funding

What are the objectives for IoT Product Development Challenge Call Round 2?

Objectives of the Challenge Call: to develop made-in-Canada IoT products for commercialization in Canada, develop highly qualified personnel (HQP) in Canada, and to create/retain jobs in Canada. IoT Challenge Call Round 2 is specifically focused on the development of semiconductor-based IoT devices, including sensors, with primary use in any one or more of the following areas:

- **Edge-AI** – including edge computing, edge sensors, and AI connectivity.
- **Oceans and Marine IoT Devices** – targeting applications in aquaculture, navigation, climate science, and more.

What funding is available through IoT Product Development Challenge Round 2?

Up to **$1M** in non-repayable funding to reimburse Ultimate Recipients up to 37% of eligible project expenses is available (per project). In exceptional cases, up to **$1.5M** may be considered. Please reference the IoT Round 2 Guide, page 7.

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What is the EOI submission deadline for the IoT Product Development Challenge Call – Round 2?

The EOI submission deadline has been **extended to 9:00 PM ET, Sunday, November 2, 2025**. Applications received after this deadline will not be considered.

What are the key dates for this IoT Challenge?

- **Oct 6, 2025** – Challenge Call Issued
- **Oct 14, 2025** – Challenge Call Webinar
- **Nov 2, 2025** – EOI Submission Deadline Extension
- **Nov 27, 2025** – Notification to successful EOI applicants
- **Dec 2025** – Full proposal submission
- **Feb 2026** – Final results announced

What is an Ultimate Recipient?

An "Ultimate Recipient" means one or more Lead/Co-Lead Organizations who receive funding and carry out Eligible Projects as part of a Challenge Project. "Lead", "Co-Lead", and "Collaborator" are defined in Definitions, IoT Round 2 Guide, page 7.

Challenge Eligibility

Who is eligible to respond to this Challenge call?

The call is open to organizations incorporated or registered in Canada, with significant operations in Canada. At least one of either the Lead or Co-Lead organizations **must be a SME** (<500 employees). Individuals are not eligible to apply.

Eligibility:

- For-profit SMEs (<500 employees)
- Not-for-profit organizations
- Canadian post-secondary institutions and/or their affiliated research institutes
- Indigenous organizations in Canada

Note: Total employees must be less than 500 for an industry participant. Multinational Enterprises (MNEs) cannot Lead or Co-Lead but may participate as Collaborators.

How many Leads, Co-Leads and Collaborators can an application include?

There is one (1) Lead organization that ultimately becomes responsible for the overall management of the project. Up to three (3) Co-Leads and up to six (6) Collaborators per application is acceptable. See Definitions, IoT Round 2 Guide, page 7.

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What are the basic eligibility requirements for applicants?
Applicants participating as Lead or Co-Lead(s) must be incorporated or registered in Canada and have significant operations in Canada. At least one of either the Lead or Co-Lead organizations must be a SME (<500 employees). See **all Key Requirements** and Basic Eligibility for Applicants, IoT Round 2 Guide, page 10 – including, but not limited to – applicants:

- Must have ≥3 full-time equivalent employees.
- Must comply with Canadian sanctions and trade laws.
- Must be FABrIC Members.

Project Requirements

What types of projects are eligible?
Projects must include the design and development of a novel chip-based product or MEMS, photonic, or quantum-based sensor for **Edge AI** (Edge Computing, Edge Sensing, AI Connectivity applications) or **Oceans/Marine** IoT applications.

What are the key project requirements?
Key requirements are **listed in full** in the IoT Round 2 Guide pages 8-10.

What Technology Readiness Levels (TRLs) should projects aim for?
Projects should aim to reach **TRL 7 or higher** by completion. An ISED assessment tool is available online at ised-isde.canada.ca/site/innovation-canada/en/technology-readiness-levels.

Expression of interest (EOI) and Proposal Process

How do I submit an Expression of Interest (EOI)?
EOIs must be submitted through the FABrIC Challenges Portal, hosted on the Blackbaud platform. You must create a Blackbaud account to enter your EOI. Please reference Portal / Platform Account Creation Instructions. The Attestation and Signature Template must be completed and **uploaded** into the Portal with the EOI.

Note: An IoT Product Development Challenge Expression of Interest Template is available for **reference only** (and may not be used for EOI submission).

What is the selection process?
The selection process is **described in full** in the IoT Round 2 Guide, pages 11 and 12. In summary:

- **Challenge Call Issued** (Oct 6, 2025)
- **EOI Submission Extension** (Nov 2, 2025)

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- **EOI Screening | Notification** to successful EOI applicants to submit **Full Proposal** (Nov 27, 2025)
- **Full Proposal Submission** (Dec. 2025)
- **Independent Review and Scoring**
- **Final Approval by CMC Board of Directors | Results Announced** (Feb. 2026)

What is the EOI screening process?

FABrIC internal reviewers will screen applications to ensure they meet the Pass/Fail criteria. The seven (7) elements of the **Challenge project Pass/Fail Criteria** are described in full in the IoT Round 2 Guide, Table 1, page 13. In summary:

- Organizational – eligibility to apply.
- Alignment with FABrIC and Challenge call objectives.
- Project budget.
- Market / commercialization plan.
- Ability to execute the project.
- Benefits to Canada.
- Need for FABrIC funding.

What information must be included in the EOI submission?

EOIs **must include**:

- A completed IoT Product Development Challenge Expression of Interest (EOI) (online form).
- An executed Attestation and Signature Template (uploaded online).

Note: The IoT Product Development Challenge Expression of Interest Template is intended as a planning tool and may not be used for EOI submission. EOIs must be submitted through the FABrIC Challenges Portal, hosted on the Blackbaud platform. The template outlines all questions so that you might prepare responses prior to **entering the information online**, within 5 parts:

1. Lead organization information,
2. Co-Lead organization information,
3. Collaborator organization information,
4. Project overview information (title, description, current and expected TRL, commercial opportunity, etc.), and
5. Project budget.

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What supporting documents are required for a complete EOI submission?
An executed Attestation and Signature Template must be uploaded into the FABrIC Challenges Portal along with the fully completed online EOI. More information and supporting URLs: fabricinnovation.ca/product-challenges.

To complement the description of the new products that will be developed through this project, you may include any diagrams or images that help explain the project and product. A 1-page PDF can be uploaded into the portal.

What support does FABrIC Challenge provide for prototyping?
FABrIC **Challenge Support** provides support to Ultimate Recipients for fabrication and packaging services, including multi-project wafer runs, logistics management, and chip finishing. For further information, see the FABrIC Challenge Support, IoT Round 2 Guide, page 8, or contact challenges@fabricinnovation.ca.

What are FABrIC Intellectual Property (IP) Strategies for Challenge Projects?
The FABrIC Intellectual Property Strategy (IP Strategy) is structured to deliver maximum possible benefits to Canada. Ownership of all foreground IP created through a FABrIC project must remain in Canada and be used for the benefit of Canada for a minimum of five years after the completion of the project.

FABrIC maintains an **IP Registry**, restricted to FABrIC Members, from which general information about IP generated through FABrIC investments may be disseminated more broadly to members, subject to conditions articulated in any existing collaboration agreements.

How does FABrIC support equity, diversity and inclusion?
Projects that support and/or advance equity, diversity and inclusion receive additional assessment points. CMC Microsystems, manager of FABrIC, is committed to the principles of equity, diversity and inclusion and the Government of Canada's 50-30 Challenge.

FABrIC Membership and Accounts

Why become a FABrIC Member?
FABrIC Membership connects individuals and organizations with FABrIC Challenges (funding), Innovation Platform initiatives (training, events, and services), and ecosystem development opportunities. FABrIC Membership is required to access FABrIC's Member Portal (mandatory to respond to Challenge Calls).

Note: CMC Microsystems Membership is **not** required to become a FABrIC Member. Membership in CMC is related to governance, limited to organizations interested in furthering the purposes of CMC (the Corporation), and consists of organizations whose application has received the approval of CMC's Board of Directors.

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Q & A – Your Questions and Answers

Updated: 2025-12-17

Q: Can applicants submit multiple Expressions of Interests (for multiple different projects)?

A: Applicants are not restricted from submitting more than one EOI. However, FABrIC will typically only fund one project per Ultimate Recipient per round.

Q: Are there restrictions on top-up funding, for example, sources of funding, or new sources vs. funding that is already underway?

A: FABrIC funding covers up to 37% of the total project cost.

Applicants are expected to leverage funding from other sources, including private, federal (e.g., SRED, NRC-IRAP, NSERC, ISED-SIF, etc.), provincial and municipal.

Industry: The maximum funding from all Government sources (including FABrIC) cannot exceed 75%. Applicants are expected to contribute at least 25% of project funding. All planned and secured funding must be identified in the EOI, but does not have to be in place before the project start date.

Academics: The maximum funding from all Government sources (including FABrIC) cannot exceed 100% of total eligible project expenses. All planned and secured funding must be identified in the EOI, but does not have to be in place before the project start date.

Q: Are in-kind contributions allowed to be included as part of the project funding?

A: No, all project contributions must be cash contributions. You may include in-kind contributions in the narrative to indicate that in-kind support is available as a resource, but this can't be included in the project budget.

Q: How is the 10% of "work performed outside of Canada" measured?

A: All project work must be performed in Canada, unless otherwise pre-approved in writing. A maximum of 10% of work (percentage of total project cost eligible for reimbursement) may be performed outside of Canada **with pre-approval**. Eligible expenses must comply with the requirements that are described in the Eligible Project Expenses Guide.

Q: Could you give examples of chip-based products?

A: Physical semiconductor chips and sensors. These devices can be based on one or more technologies, including mainstream silicon, compound semiconductors, MEMS, quantum/superconductors and photonics. For example, ASICs, SOCs, sensors, etc.

Q: If sensing technology is targeting, for example, the healthcare industry, does it have to leverage Edge AI to qualify for this Challenge?

A: This Challenge is specifically focused on two themes: (1) **Edge-AI** – including edge computing, edge sensors, and AI connectivity; and (2) **Oceans and Marine IoT Devices** – targeting applications in aquaculture, navigation, climate science, and more.

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Q: Is the $1M available funding applicable to the Lead/Co-Lead(s) individually, or the aggregate amount of the project?

A: The funding available for the Challenge is for the total aggregated amount of one project.

Q: Is collaboration with academic and other Canadian organizations a requirement for moving to a full proposal?

A: Collaboration is not a pass/fail requirement; however, at least one of either the Lead or Co-Lead organizations must be a SME (<500 employees).

Note: Lead and Co-lead organizations must demonstrate that they have sufficient resources to carry out the project to conclusion. Please see Challenge Project Pass/Fail Criteria (Table 1) and Challenge Project Selection Criteria, in the IoT Round 2 Guide, Table 1, pages 13-15.

Q: Regarding Eligible Supported Costs, the guide states that participants (e.g., SMEs) can receive up to 75% and post-secondary institutions can receive up to 100% of their Eligible Supported Costs from government sources. Are the stacking limits calculated individually for each participant or based on the project budget?

A: The sharing ratio (up to 37%) is based on the total project eligible expenses. Stacking limits are calculated based on each of the individual organizations participating as lead and co-leads.

Q: Will projects invited to submit a full proposal have access to the PDK of the specific technology for semiconductor design from CMC?

A: CMC will provide Challenge Project support services, which may include final DRC, chip finishing, etc. and will manage all logistics and interfacing with Fabs for MPWs, etc. CMC will also either provide access or support gaining access to PDKs, depending on the technology node that is needed. For further information about FABrIC Challenge Support, see the IoT Round 2 Guide, page 8, or contact challenges@fabricinnovation.ca.

Q: Does a post-secondary researcher need to collaborate with a SME as a Co-Lead, or can we apply independently as a Lead?

A: Academics may participate; however, they must also have a SME participating as a signatory to the project agreement(s). The SME and academic (participating as a Lead or a Co-Lead) have essentially the same project-related roles and requirements (bring at least 63% of funding to the project, have a business case and commercial opportunity, ability to complete the project, etc.). It must be clear how both the academic and the SME will commercialize the resulting product(s).

Q. Please provide further details and specifics to the Selection Criteria

A: Based on questions and comments received during the application process, the Selection Criteria have been updated below to reflect answers to common questions.

1) **Commercial Opportunity and Outcomes (1/3)**

   a. Target markets and applications are clearly identified and are aligned with FABrIC strategic objectives and with the objectives of the call.

   b. Demonstrates that a compelling product(s) will be developed and the organization has a long-term commitment to product/product line.

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c. Major competitors have been identified. Reasonable competitive advantages for the product have been provided as well as strategies for sustaining competitive advantage.

d. Demonstrates that the project result in the development or differentiated and/or disruptive technology for Canada.

e. A compelling commercial opportunity has been identified including market size (TAM. SAM, SOM), expected revenue, volumes.

f. Lead and/or potential customers have been identified. Effective plan for customer engagement has been provided.

g. Letters have been provided (industry experts, advisors, lead customers etc.) to support the market opportunity.

h. Outlines a clear and reasonable plan for commercialization from within Canada (serving domestic and global markets), including customers, target launch date, management of regulatory requirements, commercialization partners (if needed).

i. Clear roadmap/plan to achieve and sustain 5-year revenue forecasts. Evidence the project will lead to longer term (5+ years) sustained commercial activities from within Canada.

j. Effective scale up and production manufacturing plan has been provided.

k. Critical supply chain partners have been identified, and their roles/activities have been included in the plan.

2) **Advancement of the FABrIC Ecosystem and Overall Benefits to Canada (1/3)**

a. Clearly stated objectives and anticipated outcomes and demonstrates meaningful advancement for the Canadian semiconductor sector. Provides a compelling rationale for how this project enhances or compliments new or existing capabilities.

b. Objectives and outcomes of the project are aligned with FABrIC objectives and the objectives of the Challenge call.

c. Project will result in job creation/retention and training of HQP, consistent with the scope, scale and timeframe of the project.

d. Includes compelling, measurable business outcomes such as increased sales/revenue, new market entry, licensing opportunities resulting from the project.

e. Identifies foreground IP and related assets that are expected to be generated through the project.

f. Includes as effective plan for the protection of this foreground IP and related assets and a plan to commercial this IP from within Canada for the benefit of Canadians.

g. Includes an effective plan for managing both background and foreground IP between Lead and Co-Leads (if applicable).

h. Demonstrates the Lead (and Co-Lead(s)) has appropriate access to background IP required to execute project and commercialize the product(s).

i. Demonstrates direct, quantifiable economic benefits to Canada.

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j. Demonstrates the project will provide a positive impact on Canadian sovereignty and security.

k. Project facilitates new investment into small and medium sized enterprises (SMEs).

Other Benefits to Canada:

l. Projects that demonstrate clear collaboration with diverse industry, government and research groups will receive favourable consideration.

m. Projects that demonstrate a plan for sharing IP assets or knowledge gained through the project with the broader Canadian semiconductor ecosystem will receive favourable consideration.

n. Projects that include activities/plans for the advancement of the principles of diversity, equity, and inclusion will receive favourable consideration. Providing evidence of your EDI policies, procedures and practices, where available, is encouraged.

3) **Project Execution Plan, Budget and Likelihood of Success (1/3)**

a. Roles of the Lead, Co-Leads and Collaborators are clear and appropriate based on scope of project.

b. Key project team members and their roles have been identified.

c. The project team has the necessary experience and expertise to execute the project and to identify, procure, and engage the right resources and partners needed for successful execution. This is supported by the bios provided.

d. Evidence that the project team can begin the project within 60 days of signing the Ultimate Recipient Agreement.

e. Project statement of work is reasonable based on project scope and is well-articulated, with clear tasks, milestones, KPIs and deliverables

f. Project timeframe and deliverable are clear and feasible

g. Budget is clear, reasonable and in line with project plan.

h. Project risk register is thorough and identifies major risks, risk mitigation strategies are reasonable and manageable. If there are risks not associated with particular milestones, please also include these and the applicable mitigation strategies.

i. Compelling argument why the project would not proceed or would not achieve a similar level of positive outcomes or impact without FABrIC funding.

j. Evidence that the project is a distinct investment for the Lead (and Co-Lead(s)) and is new or incremental to the existing business of the organizations.

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