

**Report of Recipient's Progress  
on Economic Development Assistance Agreement**

Province of Nova Scotia

*(subsection 5(2) of the Accountability in Economic Development Assistance Act, and  
the Accountability in Economic Development Assistance Regulations)*

Under the Act, the Minister is responsible for publishing a report that documents the progress made by a recipient of economic development assistance in meeting the targets or timelines defined in their economic development assistance agreement. Progress must be published on a 6-month cycle and is summarized below for the reporting period for this report, as specified in Part 2 of this form.

**Part 1 – Recipient Company Details**

<b>Company</b>	Wattpad Corp.
<b>Fund name</b>	Strategic Investment Funds
<b>Type of assistance</b>	Payroll Rebate
<b>Agreement date</b>	June 18, 2020
<b>Agreement business activities</b>	Payroll investments in Nova Scotia. The establishment of new business in Nova Scotia in the ICT sector.

**Part 2 – Reporting Period for this report**

A recipient of economic development assistance from the Province of Nova Scotia is required by law to submit a report every 6 months on their progress in meeting the targets or timelines defined in their agreement with the Province. The reporting period for this report is indicated below.

<b>Reporting Period</b>	<b>Due Date</b>	<b>Year</b>
<input type="checkbox"/> October 1 to March 31	by May 1	2023
<input checked="" type="checkbox"/> April 1 to September 30	by November 1	2023

### Part 3 – Progress of Recipient for Reporting Period

The following table summarizes the recipient’s progress report to the Minister for the reporting period for this report, as specified in Part 2. The information contained in this Table was submitted by the recipient and the recipient is responsible for its accuracy.

**Table 2**

Targets / Timelines	Progress made during Reporting Period	Comments
For the company to have made incremental payroll investments in Nova Scotia.	Up to this reporting date of this report, Sep 30, 2023, Wattpad has continued to grow our presence in Nova Scotia, despite a challenging macro-economic environment. As per our HQ2 strategy, the roles span multiple functional areas of the business including engineering, product management, community wellness, HR, support and marketing.	
To be eligible for an earned incentive, for the payroll investments to be in the range of a minimum of \$370,000 for completed Program Year 1, up to a stretch maximum of \$6,512,000 for completed Program Year 5 and a minimum of 5 FTEs for completed Program Year 1, up to a stretch maximum of 88 FTEs for completed Program Year 5.	Total HQ2 payroll expense for the six months covered in this progress report was approximately \$1.8M.  As at Sept 30 we had 38 employees on our Nova Scotia payroll compared to 37 employees in our last progress report. 4 are New Residents to Nova Scotia and 2 are New Grads.	
For the new business to have been established in Nova Scotia in the ICT sector.	We continue to make strides to establish Wattpad’s presence in the Nova Scotia ICT sector during this reporting period. With the majority of our employees now working from home, we have downsized from our office space on Hollis Street to a smaller footprint in the Bedford Farmers market. All NS Wattpad employees have the option of working from home or working from the new space in Bedford. We still continue to establish ourselves in the local ICT market and support our recruiting and business objectives. Halifax members of our team have helped launch important product initiatives this year such as: - Continue Reading on Home page, Wattys Contes, Launching a new notification platform, TwoHat Integration, Google Content Moderation, Google UGC Violation Image Moderation. Also of note, Wattpad has on-call team to provide production support. On-call Manager is based out of Halifax and several members of the team are based out of Halifax. In addition, our Halifax based engineering manager has spearheaded a number of strategic initiatives in conjunction with our leadership team at HQ1 in Toronto.	

### Part 4 – Status of agreement with recipient at end of this reporting period

The status of the agreement between the recipient and the Province, as determined by the Minister, is:

- Open - undisbursed
  - Open – partially disbursed
  - Open – fully disbursed
  - Completed
  - Cancelled / Withdrawn
- Amount disbursed- \$178,340.00

Comments (if applicable)

N/A