

GreenShoots

Info Kit 2020-2021

INTRODUCTION

Innovacorp, the Nova Scotia Innovation Hub and Bioenterprise Corporation have partnered to support early stage technology companies in the agriculture, agri-food, bioeconomy, clean technology, and related sectors. Successful applicants will receive up to \$40,000 in non-repayable, non-dilutive funding, as well as business guidance from seasoned professionals to put their plans into action.

The goal of GreenShoots is to find and support high potential, early stage knowledge-based companies, and encourage entrepreneurial activity in the province. The support is intended to help improve the export potential of companies, projected impacts on climate change, job creation, and generation of economic impact in rural areas.

PROGRAM PARTNERS

Nova Scotia Innovation Hub

The Nova Scotia Innovation Hub was established in 2015 to foster opportunities in the bioeconomy. The organization works to transform Nova Scotia's renewable resources into opportunities for the province's economy and people. It is focused on improving access to feedstock supply, fostering collaborations to capitalize on the growing demand for low-carbon products, and providing financial support to help companies achieve critical commercialization milestones. For more information, please visit novascotiainnovationhub.com.

Bioenterprise Corporation

Bioenterprise is Canada's Food & Agri-Technology Engine, bringing more than 15 years of industry experience to help businesses connect, innovate and grow! At the Engine, our objective is to support growth, and the commercialization of innovation, for businesses in the ag and food sectors by using our partner network to offer services, guidance and mentorship on topics including intellectual property, regulatory, legal, talent, sales, marketing and other areas to help agri-businesses scale. For more information, please visit bioenterprise.ca.

Innovacorp

Innovacorp is Nova Scotia's early stage venture capital organization. It works to find, fund and foster innovative Nova Scotia start-ups that strive to change the world. Early stage investment is at the core of Innovacorp's business model. It also gives entrepreneurs access to world-class incubation facilities, expert advice and other support to help them accelerate their companies. Target industries include information technology, life sciences, clean technology and ocean technology. For more information, please visit innovacorp.ca.

ELIGIBILITY

Applicants must be a start-up registered and based in Nova Scotia. They must have a new knowledge-based product (i.e., a unique technology solution that cannot be easily duplicated).

Applicants must have a technology at or beyond Technology Readiness Level 4 (TRL 4+) stage of development (i.e., competitive applicants should have a proof of concept and have completed prototype validation in a laboratory environment, at minimum).

Applicants must have identified a large market pain and established a company around a customer-validated problem.

Applicants must be the majority owner(s) (51 per cent or more) of the start-up and plan to work full-time with the business.

Applicants must be from the agri-technology or bioeconomy sector, including agri-management tools and agri-waste management; anaerobic digestion; aquaculture bioenergy; bioproducts (i.e., bio-fibers, bio-composites, biomaterials, bioplastics); crop science and crop protection; fermentation processes; plant genetics; precision agriculture and data analytics; consumer and industrial agri-food innovations; natural health products; and cannabis technology.

Applicants must have less than \$1 million in cumulative sales.

Companies that have raised more than \$25,000 in equity investment from Innovacorp are **ineligible**. Stacking of Innovacorp and other government funding programs is subject to review and approval by the judging panel.

ELIGIBLE MILESTONES AND EXPENSES

Eligible milestone activities support and accelerate the company moving towards the commercialization of their product, technology or service. Companies must show how the milestones support advancement through [TRL-4 to TRL-9](#) and demonstrate how implementation will be achieved in six months or less, beginning no earlier than **October 1, 2020**, and ending no later than **March 31, 2021**.

Funds can be used for product demonstration; intellectual property protection; regulatory compliance; sales and marketing (market and competitive analysis, branding, development of go to market strategy); development of financial strategy; planning and design of pilot and commercial scale facilities; and other commercialization activities.

Eligible costs are reasonable, incremental and directly related to the milestone plan. A cost is reasonable if, in nature and amount, it does not exceed what would be incurred by an ordinary, prudent person in the conduct of competitive business. Incremental costs are those that are new or additional, or costs that would not have been incurred without participation in the program.

Eligible costs are limited to travel, labour, consumables, and consulting. Equipment and other costs that are difficult to attribute directly to an individual project are ineligible. For more details on eligible expenses, funding considerations, and ineligible expenses, refer to Appendix 1.

EVALUATION

Submissions are evaluated based on the following criteria:

- **Pain & Solution:** Description and quantification of the market problem/pain, uniqueness and significance of product, current stage of development, proprietary position
- **People:** Background and entrepreneurial track record of key individuals, ability to execute, commitment to venture
- **Market:** Size of the total addressable market opportunity, export-oriented
- **Competition:** High barrier to competitive entry

- **Traction & Milestones:** Description of key milestones previously accomplished and identification of one or two critical milestones to address; applicants are assessed on past execution, appropriateness of the forward-looking milestones, likelihood of achieving the milestones in the time and budget allowed, and the impact of the milestones on business success
- **Investment Potential:** Company has a clear idea of future financing needs and is an attractive target for potential venture capital investment (i.e., high growth potential, large market opportunity, attractive return prospects)
- **Benefits to Nova Scotia:** Export potential, projected impacts on climate change, job creation, generation of economic impact in rural regions, synergies with other sectors and businesses, etc.

The judging committee includes representatives from the Nova Scotia Innovation Hub, Bioenterprise, Innovacorp, and members of their respective networks. All submissions are treated confidentially and not made available to the public. Only those involved in managing or judging the program will view submitted documents.

AWARDS

Successful applicants receive up to 90 per cent of total eligible costs to a maximum of \$40,000 in non-dilutive, non-repayable funding, as well as guidance from seasoned business professionals. The amount awarded is determined by the judging panel. Applicants must demonstrate available sources of capital to complete proposed activities and milestones. Successful applicants will enter into a program agreement with the Nova Scotia Innovation Hub, Bioenterprise and Innovacorp.

All expenses incurred must relate to achieving the milestones submitted in the approved application and proposed budget. We understand start-ups often pivot as they move forward, but any significant budget or milestone changes must be approved in advance by the program administrators. All expenses must adhere to the Eligible Expenses & Funding Guidelines (Appendix 1).

APPLICATION PROCESS

Complete the **Microsoft Word application form available on the Innovacorp website**, answering the questions in the spaces provided. Submit the document at www.innovacorp.ca/greenshoots-submission by September 1, 2020.

Innovacorp is unable to accommodate updates once applications have been submitted. If you have questions about the application, please contact agritech@innovacorp.ca.

Shortlisted applicants will each have 10 minutes to present their business overview, proposed budget and milestone plan, directly relating to the funding request. The presentation will be followed by a 10-minute question and answer session.

Pitches will be virtual over Zoom. Participants must provide an electronic copy of their presentation 24 hours before their scheduled pitch time.

Pitches are closed to the public. Feedback is provided to all shortlisted applicants on request. Successful applicants who are approved for funding will also engage in a discussion with program advisors as a first milestone.

Program Timeline

Date	Activity
Tuesday, August 11, 2020	Program launch
Tuesday, September 1, 2020	Submission deadline
Monday, September 14, 2020	Shortlisted applicants notified
Tuesday, September 22, 2020	Pitches and judging
Friday, September 25, 2020	Successful applicants notified

CONFIDENTIALITY

All submissions are treated confidentially and not made available to the public. Only those involved in managing or judging the program view submitted documents. While business details will not be disclosed, Innovacorp reserves the right to announce successful applicants.

Questions can be directed to agritech@innovacorp.ca.

APPENDIX 1: ELIGIBLE EXPENSES

Funds must only be used to undertake activities as outlined in the approved application, under the Eligible Milestones and Expenses section. Changes to milestones and activities are acceptable but must be approved by Innovacorp prior to incurring the cost.

Funding is provided to successful applicants as a reimbursement of eligible expenses. Expense claims must be submitted to Innovacorp with supporting receipts and invoices prior to disbursement of any funding.

Eligible expenses include:

- Travel costs are eligible if they are part of the approved Milestone Plan or approved in advance of travel
- Incremental internal employee labour directly attributable to the proposed milestones
- Services from others including consultants and professional services
- Consumables

Ineligible expenses include:

- Costs of land, building or vehicle purchase
- Equipment (leased or purchased)
- Facility rental costs
- Office furniture is ineligible. In addition, items such as coffee makers, microwaves, decor and non-essential office items are ineligible.
- Refinancing
- Cost of intangible assets such as goodwill, whether capitalized or expensed
- Depreciation or amortization expenses
- Interest on invested capital, bonds, debentures, or mortgages
- Bond discount
- Losses of investment, bad debts and any other debts
- Fines or penalties
- Costs related to litigation
- Founder and owner salaries
- Non-incremental employee wages
- Fees for administrators, including payments to any member or officer of the recipient's Board of Directors
- Opportunity costs
- Food, accommodation and entertainment costs
- Costs of membership in a professional body
- Lobbyist fees