

GreenShoots

Info Kit Winter 2020-2021

Table of Contents

Introduction	2
Program Objectives	2
Program Partners	2
Nova Scotia Innovation Hub.....	2
Bioenterprise Corporation	3
Innovacorp	3
Eligibility	3
Eligible Milestones	4
Eligible Costs	5
Evaluation	5
Awards	6
Application and Evaluation Process	6
Phase 1: Submit Application	7
Phase 2: Shortlist Pitches.....	7
Confidentiality	7
Appendix 1: Eligible Expenses & Funding Guidelines.....	8
Appendix 2: Ineligible Expenses	8

INTRODUCTION

Innovacorp, the Nova Scotia Innovation Hub and Bioenterprise Corporation have formalized a partnership to provide funding, coaching and mentorship services to support early stage innovative businesses in the agriculture, agri-food, bioeconomy, cleantech, and related sectors. The funding will help successful applicants accelerate their business growth and profitability.

Successful applicants will receive up to \$40,000 in non-repayable, non-dilutive funding as well as mentorship and business guidance from seasoned professionals to put their plans into action. GreenShoots is designed to be an iterative program, rewarding start-ups based on milestone achievement. Successful GreenShoots applicants will have regular meetings with Innovacorp, the Nova Scotia Innovation Hub and Bioenterprise Corporation to work on their milestone plans.

PROGRAM OBJECTIVES

The primary objectives of the GreenShoots program are to:

- Find and support high potential, early stage, novel businesses and encourage entrepreneurial activity in Nova Scotia
- Provide funding and mentorship to support milestone objectives that will accelerate early stage businesses and to move towards the commercialization of their product, technology or service
- Prepare companies to attract required investment to scale and commercialize
- Improve the export potential of companies, projected impacts on climate change, job creation, and generation of economic impact in rural areas
- Increase synergies with other sectors and businesses
- Provide support for underrepresented groups, including youth, women, and indigenous groups within the agriculture and agri-technology sectors

Accomplishing the objectives of the GreenShoots program will translate Nova Scotia's industrial, regional and technological advantages to tangible economic and environmental outcomes.

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-Tech 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

Eligible applicants are:

- Start-ups registered in Nova Scotia or with significant presence in the province
- For-profit businesses with technologies at or beyond Technology Readiness Level 4 (TRL 4+) stage of development only (i.e., Competitive applicants should have a proof of concept and have completed prototype validation in a laboratory environment, at minimum)
- Companies operating in the agri-technology or bioeconomy sectors (as defined below)
- Companies that have a novel technology and/or business model that is potentially disruptive (i.e., a unique technology solution that cannot be easily duplicated)
- Companies that have identified a large market pain and established a company around a customer-validated problem
- The majority owner(s) (51% or more) of the start-up and plan to work full-time with the business
- Companies that have less than \$1 million in cumulative sales

The **agri-technology and bioeconomy sectors** include:

- Agri-Management Tools
- Agri-Waste Management
- Anaerobic Digestion
- Aquaculture
- Bioeconomy
- Bioenergy
- Bioproducts (i.e., bio-fibers, bio-composites, biomaterials, bioplastics)
- Cleantech
- Crop Science / Crop Protection
- Fermentation Processes
- Plant Genetics
- Precision Agriculture & Data Analytics

- Consumer Agri-Food Innovations (i.e., food & beverages)
- Industrial Agri-Food Innovations (i.e., food processing technologies)
- Natural Health Products
- Cannabis Technology

Note: Companies that have raised more than \$25,000 in equity investment from Innovacorp are ineligible to apply to GreenShoots with the same product but may apply with a different product and a different company. Stacking of Innovacorp and other government funding programs are subject to review and approval by the judging panel.

Previous GreenShoots recipients are eligible to apply for GreenShoots round two with new milestones that demonstrate traction towards investibility.

Eligible Milestones

Eligible milestone activities support and accelerate early stage businesses moving towards the commercialization of their product, technology or service.

To be considered eligible, companies must:

- Have milestones that support the advancement through one or more of the following stages of development:
 - a. TRL-4: Component and/or validation in a laboratory environment
 - b. TRL-5: Component and/or validation in a simulated environment
 - c. TRL-6: System/subsystem model or prototype demonstration in a simulated environment
 - d. TRL-7: Prototype ready for demonstration in an appropriate operational environment
 - e. TRL-8: Actual technology completed and qualified through tests and demonstrations
 - f. TRL-9: Actual technology proven through successful deployment in an operational setting
- Respond to the objectives of the GreenShoots program
- Develop a milestone plan that demonstrates how implementation will be achieved in six months or less, beginning no earlier than **February 1, 2021**, and ending no later than **May 31, 2021**.

Eligible activities of the milestone plan include, but are not limited to:

- Product demonstration
- Intellectual Property protection
- Regulatory compliance
- Sales & marketing
 - Market & competitive analysis
 - Branding
 - Go-to-market strategy development
- Financial strategy development
- Planning and design of pilot and commercial scale facilities
- Other commercialization activities

Eligible Costs

- Directly relate to the intent of the program
- Directly connect to the milestone plan
- Are defined as reasonable costs for items directly supporting the objectives of the eligible activities of the approved milestone
- Are incremental to the cost of doing business
- Are subject to approval by the Nova Scotia Innovation Hub, Bioenterprise Corporation and Innovacorp
- Are auditable (paper trail is necessary)

All eligible costs must be deemed incremental and reasonable. 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 GreenShoots program.

For a summary of more details on eligible expenses, funding considerations, and ineligible expenses, refer to Appendices 1 and 2.

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 Nova Scotia Innovation Hub, Bioenterprise Corporation, 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.

Note: Selection factors may change over the course of the GreenShoots program delivery. In the event these indicators change, a revised version of the GreenShoots Info Kit will be released and accessible on the Innovacorp website.

AWARDS

Successful applicants receive up to \$40,000 in non-dilutive, non-repayable funding, on a cash-matching basis, as well as guidance to tackle short-term technical and business milestones from seasoned business professionals.

Applicants can request up to 90 per cent of the total eligible activity costs, depending on activities' size and scope. Applicant cash contribution will range from 10 per cent to 25 per cent of total eligible activity costs and will be determined by the judging panel during the application evaluation process. Maximum contribution from the GreenShoots program is \$40,000 towards eligible activities.

The amount contributed 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 contribution agreement with the Nova Scotia Innovation Hub, Bioenterprise Corporation 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 AND EVALUATION PROCESS

The application process has two phases: an open call for applications and an invitation-only pitch presentation. The purpose of the two-phase process is to provide applicants with the necessary time and guidance to develop strong proposals with detailed milestones and objectives. The program schedule is outlined in Table 1, below.

Table 1: Program Timeline

Date	Activity
Thursday, December 10, 2020	Program launch
Thursday, January 14, 2021	Submission deadline
Monday, January 25, 2021	Shortlisted applicants notified
Thursday, January 28, 2021	Pitches and judging
Friday, January 29, 2021	Successful applicants notified

Phase 1: Submit Application

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 Thursday, January 14, 2021.

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

Phase 2: Shortlist Pitches

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.

The 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.

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.

APPENDICES

Appendix 1: Eligible Expenses & Funding Guidelines

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

Funding is provided to successful GreenShoots 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

Appendix 2: Ineligible Expenses

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