

GreenShoots

Info Kit | Summer 2022-2023

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INTRODUCTION

Innovacorp, the Nova Scotia Innovation Hub and Bioenterprise Canada Corporation have partnered to create GreenShoots, providing funding, coaching and mentorship services to early stage innovative businesses in the agriculture, agri-food, bioeconomy, clean technology, and related sectors. The support will help companies accelerate their business growth and profitability.

Successful applicants will each 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.

Participating companies will have regular meetings with Innovacorp, the Nova Scotia Innovation Hub and Bioenterprise Canada Corporation to work on the plans for the milestones to be achieved through the program.

PROGRAM OBJECTIVES

The primary objectives for GreenShoots are to:

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

Accomplishing GreenShoots' objectives will transform Nova Scotia's industrial, regional and technological advantages into 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 Canada Corporation

Bioenterprise is Canada's Food & Agri-Tech Engine, bringing more than 15 years of industry experience to help businesses connect, innovate and grow. With expert commercialization services, mentorship, public and private funding, national and global networking, Bioenterprise will help scale your business to create sector-wide impact. 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:

- Companies registered in Nova Scotia or with a significant presence in the province
- For-profit businesses with technologies at or beyond Technology Readiness Level 4 (TRL 4+) stage of development (i.e., competitive applicants 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
- Majority owner(s) (51 per cent or more) of the company 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
- Agri-waste management
- Anaerobic digestion
- Aquaculture
- Bioeconomy
- Bioenergy
- Bioproducts (i.e., biofibers, biocomposites, biomaterials, bioplastics)
- Clean technology
- Crop science and/or protection
- Fermentation processes
- Plant genetics
- Precision agriculture and data analytics
- Consumer agri-food innovations (i.e., food and beverages)
- Industrial agri-food innovations (i.e., food processing technologies)
- Natural health products
- Cannabis technology

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

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

Eligible Milestones

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

To be considered eligible, company milestones must:

- Support the advancement through one or more of the following stages of development:
 - TRL-4: Component and/or validation in a laboratory environment
 - TRL-5: Component and/or validation in a simulated environment
 - TRL-6: System/subsystem model or prototype demonstration in a simulated environment
 - TRL-7: Prototype ready for demonstration in an appropriate operational environment
 - TRL-8: Actual technology completed and qualified through tests and demonstrations
 - TRL-9: Actual technology proven through successful deployment in an operational setting
- Address the GreenShoots objectives
- Be achievable in six months or less, beginning no earlier than **September 1, 2022**, and ending no later than **February 28, 2023**.

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

- Product demonstration
- Intellectual property protection
- Regulatory compliance
- Sales and marketing (e.g., market and 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 reasonable expenses for items directly supporting objectives of the activities in the approved milestones
- Are incremental to the cost of doing business
- Are subject to approval by the Nova Scotia Innovation Hub, Bioenterprise Canada 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 GreenShoots.

For 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:

- **Management Team (15 points)** Skillset of key individual(s); entrepreneurial track record; capacity to develop the company and handle risks associated with the venture. We expect applicants to have one strong technical or business founder. Competitive applicants will have a diverse mix of business and technical expertise on the team.
- **Market Pain & Value Proposition (20 points)** Problem and size of the market pain (i.e., \$10 billion+ total addressable pain); solution (i.e., how it works, how it solves the problem, how it is unique); value proposition (i.e., how much time or money will the customer save/generate by using the solution).
- **Market Opportunity & Business Model (15 points)** Description of the target customers; quantity of customers; revenue model; size of the market opportunity (i.e., \$1 billion+ total addressable market). Competitive applicants will have performed some customer discovery to validate the opportunity.
- **Competition & Go-to-Market Strategy (10 points)** Competitive analysis; barriers to entry (e.g., IP, proprietary data); pricing; go-to-market strategy.
- **GreenShoots Milestones & Success Metrics (15 points)** Plan and timeline for GreenShoots program milestones; list of key activities to achieve milestones; detailed budget for \$40,000 award.
- **Capital Requirements & Investment Potential (20 points)** Feasible, clear plan of execution; venture capital investment potential (i.e., high-growth potential, \$1 billion+ market opportunity, attractive return prospects).
- **Benefits to Nova Scotia (5 points)** Export potential; impacts on climate change; job creation; economic impact in rural regions; synergies with other sectors and businesses, etc.

The judging committee includes representatives from Nova Scotia Innovation Hub, Bioenterprise Canada Corporation, Innovacorp, and members of their respective networks.

AWARDS

Successful applicants each receive up to \$40,000 in non-dilutive, non-repayable funding as well as guidance from seasoned business professionals to tackle short-term technical and business milestones. Up to six awards are anticipated.

Applicants can request up to 90 per cent of the total eligible activity costs, depending on the activities' size and scope. GreenShoots contributions will be a minimum of 10 per cent of total eligible activity costs and will be determined by the judging committee during the application evaluation process. The maximum GreenShoots contribution is \$40,000 towards eligible activities.

The amount contributed is determined by the judging committee. Applicants must demonstrate available sources of capital to complete proposed activities and milestones.

GreenShoots participants will enter into a contribution agreement with the Nova Scotia Innovation Hub, Bioenterprise Canada Corporation and Innovacorp.

Participants will also receive one year of complimentary access to Bioenterprise's membership program: Canada's Food & Agri-Tech Engine (The Engine). The Engine is a national network of innovative businesses, industry leaders, cutting-edge research institutions, government stakeholders, and service providers. Members get access to mentorship services from experienced innovation advisors as well as network connectivity.

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 milestone plans. The program timeline is outlined in Table 1 below.

Table 1: Program Timeline

Date	Activity
Tuesday, July 12, 2022	Program launch
Tuesday, August 2, 2022	Submission deadline
Thursday, August 18, 2022	Shortlisted applicants notified
Thursday, August 25, 2022	Pitches and judging
Thursday, September 1, 2022	Successful applicants notified

Phase 1: Application Submission

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 Tuesday, August 2, 2022.

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: Pitches from Shortlist

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

Pitches will be delivered virtually 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 upon request.

CONFIDENTIALITY

All submissions are treated confidentially and not made available to the public. Only those involved in managing or judging the competition view submitted documents. While business details will not be disclosed, the GreenShoots partners reserve the right to announce competition winners.

Questions can be directed to agritech@innovacorp.ca.

APPENDICES

Appendix 1: Eligible Expenses & Funding Guidelines

Funds must only be used to undertake approved milestones and activities outlined in the GreenShoots application. Changes to milestones and activities are acceptable but must be approved by the program administrators prior to incurring the related costs.

GreenShoots funding is provided as a reimbursement of eligible expenses. Expense claims must be submitted to Bioenterprise with supporting receipts and invoices prior to funding disbursement.

Eligible expenses include:

- Travel costs 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
- Consumables

Appendix 2: Ineligible Expenses

Ineligible expenses include:

- Costs of land, building or vehicle purchase
- Equipment (leased or purchased)
- Facility rental costs
- Office furniture and items such as coffee makers, microwaves, decor and other non-essentials
- 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 discounts
- 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