

Rising TIDE Concept

NOVA SCOTIA MIT REAP TEAMS



Cape Breton
Strait

South
Shore

Valley

Pictou

Western

How the Rising tIDE Fund will foster innovation-driven enterprises in Nova Scotia



Private Investors

Private entities including pension funds, banks, investment funds

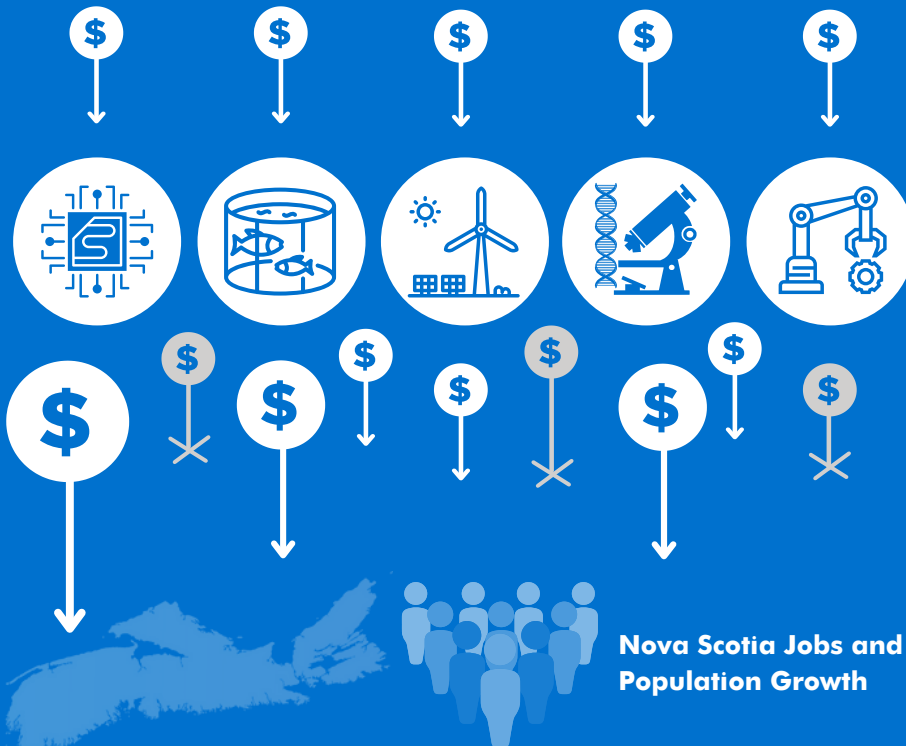


Province of Nova Scotia

Match Private Capital



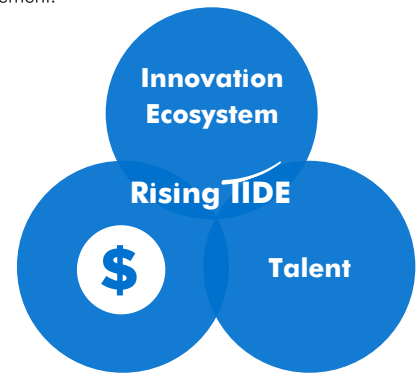
RTIC
Rising tIDE
Investment Co.



Rising tIDE Fund Description

MISSION: To fill gaps in capital, talent and innovation ecosystem development.

- A standard, 10-year Venture Capital (VC) fund model with full repayment to limited partners at 12 years, including any gains or losses.
- Front-end loaded investment in line with the de-risking process (50% in year 2/3, 30% year 4/7, 20% in year 8 onward).
- Focus on innovation-driven enterprises, regardless of sector.
- Fills regional gaps in VC, by providing innovation-driven entrepreneurs with the capital they need at their current stage (anywhere from pre-seed to growth stages).
- Standard de-risking / success-based follow-on investment model, based on an ecosystem of local mentorship, precise expertise procurement, network support, and collaborative risk abatement.



- Optional access to an affordable shared management services model for high-end talent (CIO, CTO, CFO, COO, CMO, etc.), provided by the Fund.
- Professionally run (Standard 2% operating budget/20% fund ROI bonus to managing partners), where operating budget would cover external due diligence and advisory services.
- Privately financed, and seeks to attract pension and other large investment funds. Currently, many Nova Scotia based funds are flowing capital to other venture funds outside of Nova Scotia.
- Invests in regional strengths/innovation assets.
- Every research and development dollar of investment from the Rising tIDE fund will attract at least \$1.3 from federal programs that are easily accessible, in particular, the Scientific Research and Experimental Development Tax Incentive (SRED) program from the CRA (plus private sector leveraging potential).

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The Challenge

- Goal 13 on the One Nova Scotia Dashboard (Venture Capital), is to increase the three-year annual average for per-capita venture capital investment to be equal or better than the Canadian average (<https://www.onens.ca/goals/goal-13-venture-capital>).
- However, Nova Scotia specifically, and Atlantic Canada generally, lag the National Average in Venture Capital Deployment.



The Opportunity

- The Rising tIDE fund is an opportunity for the Province of Nova Scotia to grow an Innovation Ecosystem with private investors, entrepreneurship and other stakeholders. The Province as a limited partner with private equity can fill the regional gap in venture capital to grow Nova Scotia based innovation-driven enterprises.
- In our new paradigm where venture capital is more comfortable with virtual deal-making and remote working, the Rising tIDE fund will work to showcase Nova Scotia as an investment destination not only for IDEs, but also for traditional SMEs and startup companies.

Benefit to the Province of Nova Scotia

- In addition to new jobs and people being attracted to the province, each \$1 from the Province of Nova Scotia in the fund will attract \$2.3 without any portfolio company success (from private investment and SRED rebate, etc.)
- With portfolio company success, the province will attract other VC investment/syndication and potentially mega 35x exits such as Meta Materials, Verafin, etc.
- Professional management and risk mitigation processes also help ensure that the Limited Partnership investment provides ROI and therefore truly represents an INVESTMENT and not an expenditure.

