

# 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

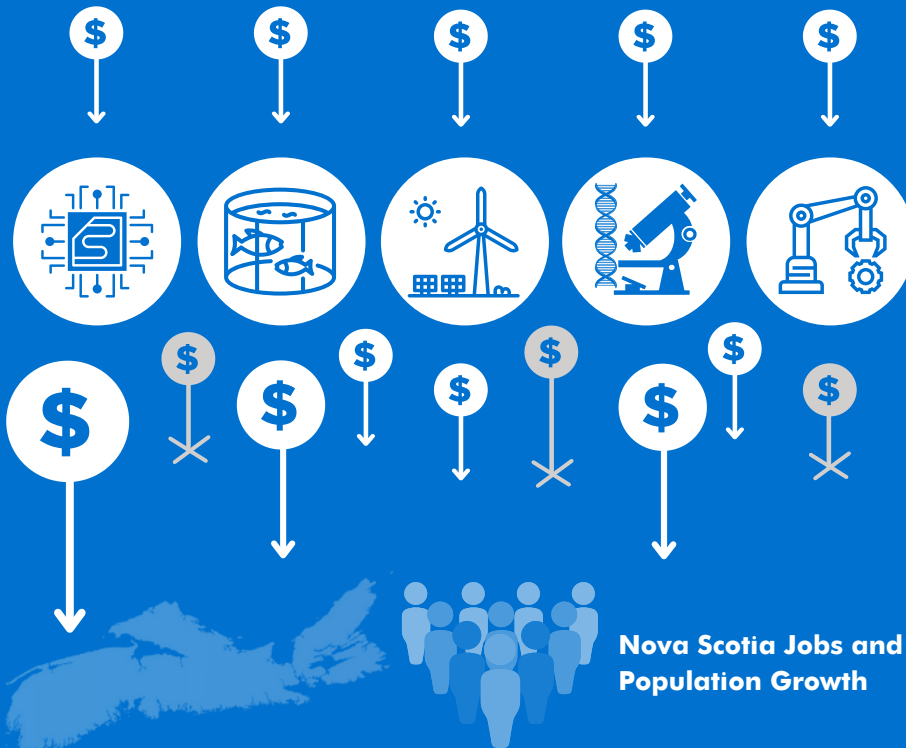


#### Province of Nova Scotia

Match Private Capital



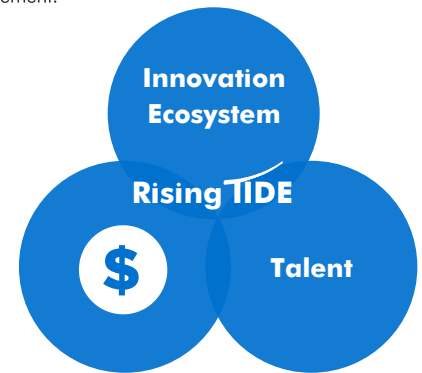
**RTIC**  
Rising tIDE  
Investment Co.



### 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.

