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Nova Scotia Business Inc.



Business Plan
2020-2021

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COVID-19 and NSBI's Role

As a result of COVID-19 and the impact on both the global economy and business here at home in Nova Scotia, NSBI is providing an update to our previously published 2020-21 Business Plan. We recognize and embrace the role that we will play to help companies across the province recover, rebuild, and do business in new ways as a result of COVID-19.

Message from the
Board Chair & President and CEO

Nova Scotians helping Nova Scotians

In a world where our economic climate is dynamic and adjusting, our job is to see what's changing, to connect Nova Scotia and our companies with the knowledge, programs, partners and opportunities so they can evolve and grow.

We are proud to be aligned and to deliver on the Province's vision to achieve inclusive economic growth in Nova Scotia. Our work is to enable the many business owners and their employees to make a difference in their communities and for Nova Scotian families. We will continue our efforts to work with companies in all regions to regroup, build resiliency, grow, and attach Nova Scotians to meaningful employment opportunities.

Rebuilding, Scaling & Growing Exporters

For our province to recover and create a better Nova Scotia, we know that the path to a sustainable economy must include rebuilding with an eye to export expansion.

Whether we are helping businesses to reimagine their operating model, explore exporting as an avenue to growth; working with experienced exporters to drive productivity and innovation through capital investment; or supporting exporters as they expand their reach; the foundation of our programs and services are rooted in export. COVID-19 has placed renewed importance on digital solutions for doing business both within our province and across borders, and our Digital Adoption Program and online sales training sessions will ensure businesses rapidly integrate digital tools and ecommerce, creating critical online opportunities to initiate and expand export sales.

Our work connects us with key markets all over the globe. Over the last five years, data tells us that we have made great strides in helping businesses expand exports by selling to additional markets. We also know that attracting successful multinational exporters to Nova Scotia boosts export sales, enables relationships to gain access to global markets and create great jobs.

In 2020-21, we will build on this success by focusing on helping more businesses regroup, chart a new path forward, and fuel growth through expansion into new markets. We will also help them learn of opportunities to sell to key Canadian markets and those that emerge through Canada's trade agreements including CUSMA, CETA and CPTPP. Our efforts will remain focused on helping exporters do the homework on growth scenarios, so they know how to meet market demand if, and when, it's needed. And when that growth happens, we will be there to support productivity and innovation.

Deepening R&D & Innovation

Based in vibrant communities located throughout Nova Scotia, our academic and research institutions are some of our province's greatest assets.

Through our Productivity and Innovation Voucher Program, we will encourage more companies to tap into the wealth of research expertise within our universities and community colleges to help bring new and innovative products to market.

We will also use our reach to uncover and connect investors with Nova Scotia companies, R&D in our province, and use our evidence-based approach to attract the right kind of investment to areas of the province that need it most.

Encouraging Economic Participation & Broadening Benefit

NSBI's Regional Team members are embedded in their communities, working closely with businesses to listen and understand the unique challenges and opportunities that exist in each region as we all adjust, pivot and move forward from COVID-19.

We look to 2020-21 to strengthen these efforts by broadening our reach to ensure that all current and potential exporting businesses have the access and opportunity to benefit from our programs and services. We will continue to work closely with businesses of diversity throughout Nova Scotia to help them succeed and grow.

Attaching Employment & Growing Population

We believe more companies share a growing commitment to diversity and inclusion.

In our work, we will harness that commitment so that Nova Scotians with lower than average rates of attachment can see more employment opportunities. As a starting point, we will continue to target and foster the growth of companies that create long-term, high-value jobs for Nova Scotians. And, when we promote Nova Scotia as a location for business growth, we will also continue to attract employers who are leaders in diverse, inclusive hiring.

In 2020-21, our investment attraction work will be aligned with the Province's economic and community goals. Nova Scotians will increasingly have the opportunity to work for international companies and home-grown ones with greater capacity, scale and competitiveness in global markets. We will explore new business models best suited for attaching Nova Scotians to employment across the province, and attract and grow companies strongly matched with emerging virtual ways of doing business.

Working Together

As we look to the year ahead and the years that follow, we know that our impact is greater when we work collaboratively. We have built momentum for a culture of exporting. Together with partners, we are setting our sights ahead to what's next.

Our targets for this year reflect the next step. They also support the collective efforts of the Province and our partners as we work together to strengthen Nova Scotia's economy and quality of life for more Nova Scotians now and into the future.



Marie Mullally
Board Chair



Laurel Broten
President and CEO

Strategic Context

NSBI is committed to the Province’s common agenda to achieve inclusive economic growth in Nova Scotia. Our revised Business Plan for 2020-21 highlights our work with businesses in strategic sectors across the province to rebuild, innovate and grow through export, and to attract investment that will create opportunities for more Nova Scotians to attach to employment and benefit from our efforts.

Mandate

Nova Scotia Business Inc. (NSBI), led by a private sector Board of Directors, is a key business development agency for the Province. NSBI’s mandate is to help Nova Scotia businesses across the province grow exports through access to business advisory services, skill development and training to build export capacity, market intelligence, financing, and support in accessing global markets, with a focus on developing new exporters and attracting innovative, globally competitive companies to establish a business location in Nova Scotia.

Mission

Nova Scotia Business Inc. drives economic momentum in Nova Scotia through attracting and expanding investment and developing businesses in all communities to be more successful exporters.

Vision

A strong, thriving, and globally competitive Nova Scotia today and for generations to come.

NSBI's Role and Focus for 2020-21

Export Growth

Economic growth through export expansion is the cornerstone of NSBI's mandate and forms the foundation for our business development efforts. NSBI works with businesses across all regions of the province and at all stages of the export journey to help companies build capacity and sell beyond our borders for the first time, or expand their export strategy and sell to new international markets.

“Being a small province . . . means that Nova Scotia has a small domestic market. For most businesses to grow significantly, whether goods producers or service providers, they have to access larger external markets through trade activities.”¹

The number of exporting firms in Nova Scotia has been increasing in recent years, and NSBI is focused and committed to continuing our work with our partners and the province's emerging and experienced traders to maintain and build our capacity to compete in global markets.

Figure 1. Nova Scotia Participants in Export Trade

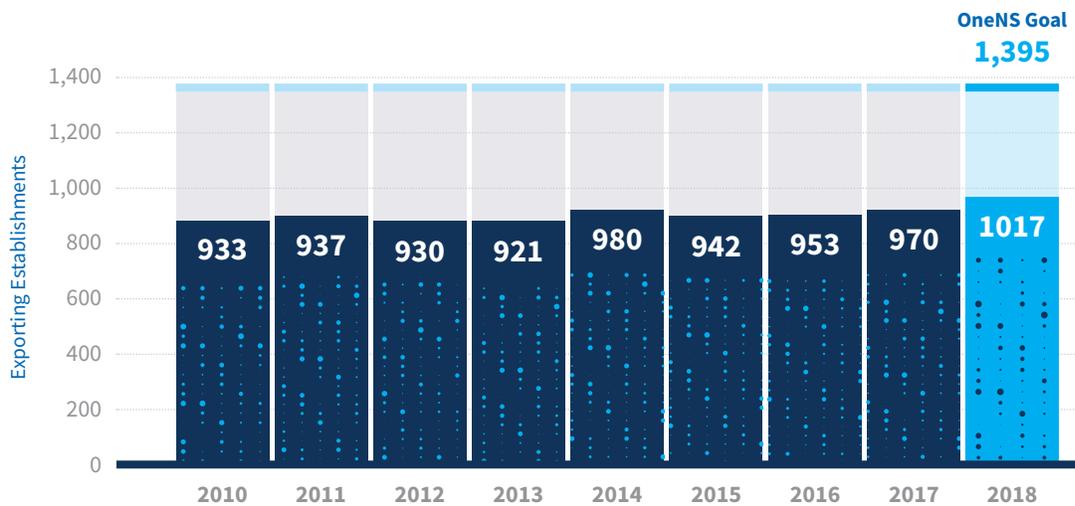


Figure 1. Statistics Canada. Table 12-10-0098-01 Trade in goods by exporter characteristics, by industry of establishment (x 1,000) <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1210009801> (Accessed 12/17/2019)

One Nova Scotia. Goal 6: Firms Participating in Export Trade – Deep Dive. <https://onens.ca/goals/goal-6-export-trade/> (Accessed 12/17/2019)

¹ “Now or Never – An Urgent Call to Action For Nova Scotians”, The Nova Scotia Commission on Building Our New Economy, 2014, pg. 29.

NSBI's efforts with businesses across the province have successfully supported companies to grow through export, as evidenced by the 32.1% increase in actual export sales reported by our clients last year. In 2020-21, we will continue our work with businesses in all regions, providing programs and services to refocus and rebuild, and overcome barriers to export. NSBI will collaborate with our partners to look for new and different ways to meet the needs of Nova Scotia businesses looking to sell beyond our borders, with a renewed focus on technology adoption and creating and improving online sales and marketing.

Our Regional Team worked with over 700 companies in 2019-20, serving as the critical first point of contact for firms at every phase of the business growth lifecycle. We will continue to help businesses across the province navigate the evolving programs and services available to them as they adapt to, and recover from, the impacts of COVID-19. Through our partnership with the Nova Scotia Co-operative Council and Dalhousie University, we will deliver the Business Continuity Voucher Programs to connect companies with the professional advice they need, when they need it. NSBI's Digital Adoption Program and online sales training sessions will support businesses to rapidly integrate digital tools and ecommerce, enabling business continuity and creating an online opportunity to initiate and expand export sales.

Whether a community and its businesses are rooted in southwest Nova Scotia, Halifax, the Annapolis Valley and north into Cape Breton, there is an increased focus on local strengths, capitalizing on comparative advantages, innovation, and making the connections on the ground and beyond our provincial border to bring value home through new income, investment and market opportunities.



NSBI's Export Capacity Building team will further their work with companies and deliver webinars, and virtual training, education, and international business skill building workshops in regions across the province.

NSBI's programs and services are designed to meet the needs of businesses at every stage of the business lifecycle, with particular emphasis on export and market diversification. Our Trade Market Intelligence service provides preliminary market research for companies looking to sell products and services to new markets outside of Nova Scotia, while our Export Growth Program will help businesses make the connections necessary to propel international growth. NSBI's partnerships with innovation hubs and incubators across Nova Scotia will continue to uncover businesses with global potential and support the province's born exporters on their growth trajectory.

Our Business Development Program and the GrowExport Program will enable our clients to develop and acquire the expertise they need to build export capacity and grow. NSBI's Export Capacity Building team will further their work with companies and deliver webinars, and virtual training, education, and international business skill building workshops in regions across the province. We will also provide guidance and support to Nova Scotia businesses as they pivot to maximize e-commerce opportunities and potential as a result of COVID-19.

A key commitment of government is to provide export accelerator services to Nova Scotia companies. Our work with the Halifax Chamber of Commerce to deliver the Trade Accelerator Program is focused on developing partnerships and providing impactful programs and services to accelerate the export growth of Nova Scotian firms. NSBI will lead Nova Scotia's involvement in the \$20 million Atlantic Trade and Investment Growth Strategy and work with our federal and provincial partners to improve the global success of businesses in our region.

NSBI will ensure our clients are prepared and able to expand in key markets and capitalize on opportunities that emerge within key Canadian export markets, and through trade agreements including the Canada-United-States-Mexico Agreement (CUSMA), the Comprehensive European Trade Agreement (CETA), and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). We will explore new ways to work with Nova Scotia businesses to connect and sell products and services within the growing Association of Southeast Asian Nations (ASEAN) market. NSBI will plan and execute targeted efforts to build on provincial strategies in Europe and China, strengthen our relationships with consulates and trade commissioners, and our Scotians Global Advisor initiatives will help Nova Scotia companies expand their networks and make in-market connections.

We will refine our evidence-based lead generation strategy to look outside our borders for innovative, R&D intensive, exporting companies that would benefit from a Nova Scotia workforce and contribute to growing our provincial footprint in international markets. Businesses attracted to establish a base in our province directly impact efforts to create employment opportunities for Nova Scotians across Nova Scotia. NSBI will continue to explore remote working as an opportunity for Nova Scotia, and develop new virtual ways to promote our province’s advantages to key global leaders.

NSBI recognizes and embraces the role we play in promoting an export-first business approach as the path to sustainably grow our economy. We will continue to share the lessons learned and celebrate the stories of our companies as they navigate the impacts of COVID-19 and develop new strategies to expand in international markets.

Strategic Sector Growth

“Exporters ... make money by selling Nova Scotian products and services to global customers. Exporters put the world’s money into our pockets.”²

Nova Scotia’s overall exports have achieved slight growth in recent years, with declining output of natural gas and forest products limiting the province’s export performance. Non-energy exports, however, have increased year over year since 2012 and grew by close to 64% between 2012 and 2019, led mainly by seafood and tire manufacturing. NSBI’s export development efforts remain focused on working with companies in key clusters across the province to rebuild and continue momentum, while navigating the challenges of today’s global economy.

Figure 2. Nova Scotia Non-Energy Merchandise Exports

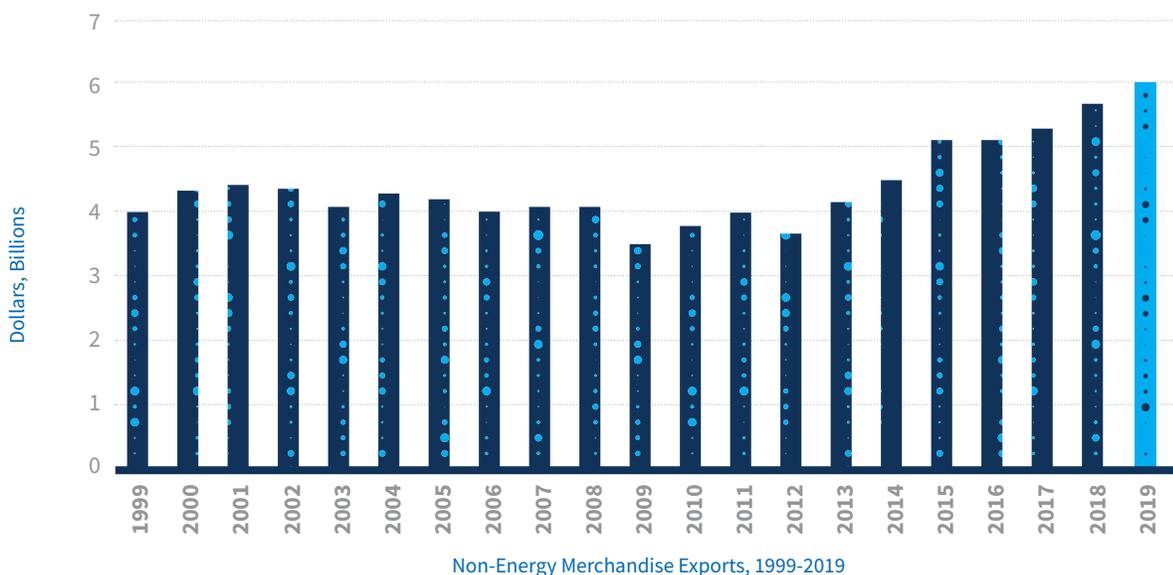


Figure 2. Statistics Canada. Table 12-10-0133-01 Canadian international merchandise trade by province and country, and by product sections, customs-based, annual (x 1,000) <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1210013301> (Accessed 02/05/2020)

² “Now or Never – An Urgent Call to Action For Nova Scotians”, The Nova Scotia Commission on Building Our New Economy, 2014, pg. 32.

NSBI's work involves growing and attracting exporters within the high potential clusters of ICT, FinTech, Digital Health, Oceans, Life Sciences, Clean Technology, Seafood & Agri-food, building the ecosystem and creating jobs within these key sectors across the province. We will continue our work with partners across the province to attract and connect anchor companies within identified key regional clusters where Nova Scotia has a global comparative advantage.

Our Innovation Rebate Program will be targeted to support high-value capital projects in key clusters in all regions of Nova Scotia, ensuring that our firms are making the investments necessary to increase productivity, strengthen local participation in global supply chains, compete in global markets and grow through export. NSBI will also deliver the new Forestry Innovation Rebate Program to incent high-value investment that will support companies in the sector to grow, pivot, innovate and diversify their markets.

We will continue our work with partners across the province to attract and connect anchor companies within identified key regional clusters where Nova Scotia has a global comparative advantage.

Our outreach efforts will continue to uncover and connect potential investors with Nova Scotia companies, highlighting opportunities for equity investment in high potential clusters and working with firms to maximize their value proposition and be investment-ready. NSBI's Regional and Investment Attraction teams will identify and make connections for businesses in need of succession to secure the future viability of sectors with comparative advantage in communities across the province.

We will continue to work with companies onsite in the Centre for Ocean Ventures & Entrepreneurship (COVE) and the innovation hubs and incubators across the province to provide support at each step of the export journey. Our promotional efforts will highlight COVE and Nova Scotia as a world leader in Oceans research and development with a high-quality marine infrastructure and unparalleled access to the ocean.

NSBI will work with our partners to target world leaders in the Oceans industry to experience the world-class, cutting edge opportunities for partnerships, technology transfer, R&D, and investment within our Oceans cluster. We will help promote the Ocean Supercluster to deepen partnerships between industry, post-secondary education institutions, and government to drive innovation and commercialization as the path to sustainable economic growth from our oceans.

We will continue the delivery of the Nova Scotia Film & TV Production Incentive Fund to support our creative industries and attract award-winning productions to our province. NSBI will work with our partners in this creative sector to highlight the stories of productions that choose Nova Scotia as a filming location. We will continue the management of our real estate holdings in regions across the province to maximum benefit, identifying and pursuing opportunities to match infrastructure with needs in key sectors.

Research and Innovation

NSBI is committed to the Province's research and innovation agenda and will build upon our programs and services to drive productivity and capital investments for businesses. Our Productivity and Innovation Voucher Program will create and deepen research and development connections between businesses and Nova Scotia's universities and community colleges. Our own partnerships will explore the province's R&D assets and opportunities for centres of excellence aligned with the province's comparative advantages.

NSBI's Innovation Rebate Program was introduced as a new five-year pilot program in 2017-18 to incent high-value investments for companies in Nova Scotia with the goal of increasing their competitiveness in global markets. To date, the program has supported 22 projects across the province, with approximately 80% of the funding allocated to companies making key investments in regions outside of the Halifax Regional Municipality. NSBI will continue to deliver this program to companies looking to invest in innovative equipment and/or processes to increase production capacity, produce new products and expand market reach.

We will do our part to create the right conditions to encourage investment by the private sector and collaborate with partners to explore new tools for growing and attracting R&D intensive anchor companies in key clusters across the province's economic regions. Our research will arm our investment attraction efforts by identifying R&D leaders that would benefit from and contribute to growing our provincial innovation ecosystem. We will capitalize on our collective strengths and join forces with our partners through the Team Nova Scotia approach to selling our province, making the introductions and connections necessary for new R&D intensive firms to realize the advantages to be gained from a presence within Nova Scotia's inclusive economic environment.

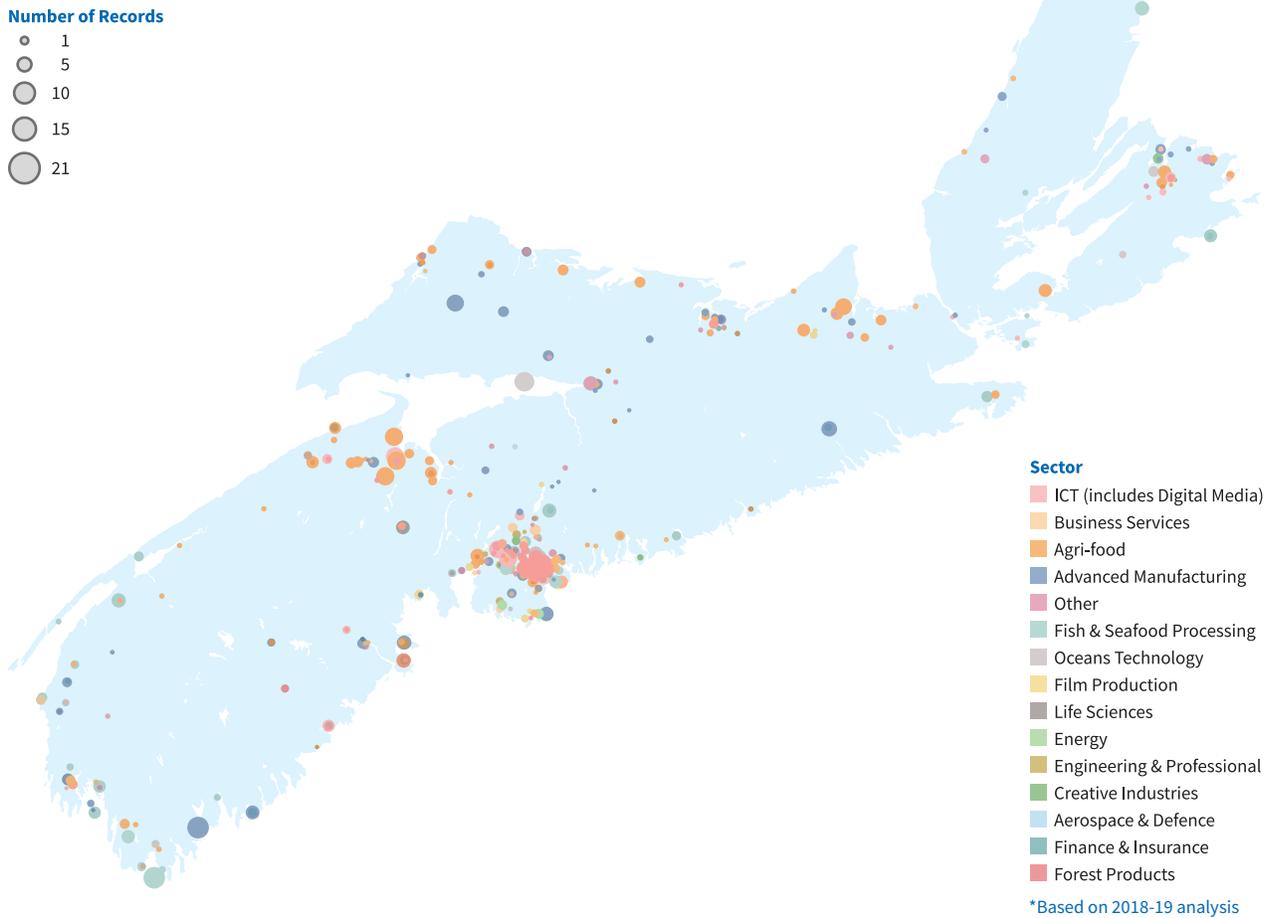


NSBI is committed to the Province's research and innovation agenda and will build upon our programs and services to drive productivity and capital investments for businesses.

Economic Participation and Benefit

NSBI's regional footprint, bolstered by specialists throughout NSBI, makes us ready, willing and able to work with companies to rebuild, grow and create employment across the province, providing opportunities for Nova Scotians in all regions to benefit. In 2019-20, our programs and services reached businesses operating in diverse sectors and regions of the province, reflective of an outreach strategy that we will continue into the upcoming year to ensure the broadest participation and impact from our efforts.

Figure 3. NSBI's Program and Services Clients*



NSBI's focus on delivering one-on-one support for companies with owners and leaders from an underrepresented group will help key employers committed to hiring from the province's populations with lower than average rates of attachment to the workforce. We will work with these companies to grow through export, creating jobs across the province for more Nova Scotians to benefit for our business development efforts.

We will ensure that Nova Scotia's commitment to inclusive economic growth and the attachment of underrepresented groups to the workforce in all regions remains at the forefront of our discussions with businesses. NSBI will seek to identify and target organizations and business leaders in key sectors with diversity as part of their corporate fabric. Our investment attraction efforts will remain focused on attracting innovative exporters with inclusion as the foundation to their corporate success, and our work with payroll rebate clients to hire from within underrepresented populations will continue to promote and support diverse hiring practices.

We look forward to strengthening our partnership with the Black Business Initiative (BBI) to assist in the further development of a strong and vibrant Black business community in Nova Scotia through partnerships on programming to attach Black Nova Scotians to the workforce. We will deepen connections with Indigenous partners and explore new and better ways of working with Mi'kmaw employment organizations across the province to foster connections between Nova Scotian employers and Indigenous persons. NSBI will continue our work with the Department of Labour and Advanced Education and the Centre for Employment Innovation at St. Francis Xavier University to grow diversity and inclusion in the workplace and improve employment services across the province.

Employment Attachment

NSBI's business development mandate positions us to work with businesses to grow across the province, creating real job opportunities for Nova Scotians to attach to the workforce. Our export development efforts support companies to build resiliency, scale and compete in global markets, creating opportunities for Nova Scotians to work for international organizations, right here at home.

In addition, NSBI's payroll rebate enables targeted payroll generation through businesses creating incremental employment in key sectors. To drive employment attachment in 2020-21, we will focus our investment attraction efforts to target employment creation in regions of the province with above average unemployment rates and within groups currently underrepresented in Nova Scotia's workforce, and we will explore remote working opportunities as a renewed model of workforce participation.

We will continue our work with partners and other government departments, serving as a key referral source for businesses in need of employment support programs as they pursue onboarding and training new employees. The suite of programs and services available to businesses in Nova Scotia to hire and strengthen their workforce is robust, and we will continue to promote NSBI's offerings, as well as those of partner organizations, as we grow and attract companies across the province.



We will support Nova Scotia's regional cluster development efforts to create jobs across all regions of the province, providing employment opportunities required to sustain our population momentum.

Population Growth

Nova Scotia has recently achieved an increase in population, and NSBI's business development efforts are focused to continue to support businesses to grow and attract the job opportunities that will build an educated, skilled workforce across our province. We will review and improve our service offerings to ensure companies can access the right tools to innovate, keep pace and grow with an ever-changing global business climate. We will support Nova Scotia's regional cluster development efforts to create jobs across all regions of the province, providing employment opportunities required to sustain our population momentum.

Our promotional efforts will position Nova Scotia as a top jurisdiction in which to live, work and do business as we sell Nova Scotia businesses to the world and sell the world on doing business in Nova Scotia. We will work with our Crown Corporation colleagues and other partners to develop and share the key resources businesses need to build and attract a globally competitive workforce. NSBI will collaborate to promote Nova Scotia's diverse, coastal, thriving business environment and extend the invitation to join in our momentum.

Performance Measures

Measures

2020 - 2021 Targets

1. Annual increase in NSBI client reported actual export sales among export program participants

Maintain actual export sales of NSBI's export program clients, and by export program clients within the high potential clusters of ICT, Oceans, and Seafood & Agri-food

2. Number of NSBI clients becoming new exporters

A minimum of 25 NSBI clients become new exporters, with a minimum of 10 clients within the high potential clusters of ICT, Oceans, and Seafood & Agri-food becoming new exporters

3. Diversification of export markets

A minimum of 15% of NSBI clients diversify exports through sales to an additional market

4. Employment income generated for Nova Scotians

Attract a minimum of \$80m in committed employment income through payroll rebate transactions signed in 2020-21 and other investment attraction efforts, with a minimum of 10% targeted to the attachment of Aboriginal and/or Indigenous persons, African Nova Scotians, and persons with disabilities

5. Foster connections between Nova Scotian employers and organizations across the province focused on the attachment of underrepresented groups to the workforce

2020-21 will be a benchmark year

6. Drive R&D and innovation among NSBI clients

5% increase in Business Expenditures in Research & Development among NSBI clients

7. Connect businesses with professional advice to adopt technology, adapt to, and recover from the impacts of COVID-19, or grow through export

Through programs and services such as the Business Continuity Voucher Program, Digital Adoption Program, and the Business Development Program, NSBI will connect a minimum of 500 businesses across the province with professional advice

Budget Context

(Amounts in \$000s)	Budget 2019-20	Forecast 2019-20	Estimate 2020-21
Revenues			
Provincial grants	\$67,786	\$67,645	\$73,424
Gain on sale of tangible capital assets	127	16	-
Nova Scotia Business Fund: Loans, equity and properties	1,535	1,720	1,320
Miscellaneous revenue	2,288	2,180	1,623
Total	\$71,736	\$71,561	\$76,367
Expenses			
Operating	\$20,464	\$20,401	\$18,637
Strategic investments	18,610	12,424	15,410
Nova Scotia Film & Television Production incentives	20,000	26,000	25,000
Innovation Rebate Program	10,000	10,000	10,000
Forestry Innovation Rebate Program			5,000
Provision for credit losses	1,000	(460)	1,000
Transfer payments to Province of Nova Scotia	127	16	-
Nova Scotia Business Fund: Loans, equity, and properties	838	994	834
Total	\$71,039	\$69,375	\$75,881
Surplus	\$697	\$2,186	\$486

Appendix A: Strategic Investment Funds (SIF)

STRATEGIC INVESTMENT FUNDS PURSUANT TO NSBI REGULATIONS POLICIES AND GUIDELINES/PROCEDURES, NSBI 2020-21 BUSINESS PLAN

PAYROLL REBATE PROGRAM (the “Program”)

Overview

A Payroll Rebate is a discretionary, non-entitlement business development incentive (the “incentive”) intended to promote targeted payroll generation through the creation of incremental employment.

This incentive may be used when it can be shown that a company’s project generates an economic benefit to the province, which will include export development, investment in the province, or improved competitiveness of existing businesses, in one or more of the province’s key economic sectors.

Amount

Rebates will be equivalent to between 5% and 10% of gross payroll, depending on the company’s strategic location in Nova Scotia or business sector and the economic benefit generated to the province. Additional rebate may be considered where the company is hiring individuals with specific skills or experience, new members of the Nova Scotia workforce, underrepresented groups, is increasing export activity, undertaking a capital project deemed strategic to their Nova Scotia region, or establishing or expanding its presence in rural Nova Scotia.

All other Nova Scotia provincial government assistance with respect to the project must be disclosed to NSBI and may influence the rebate amount.

Eligibility

The company’s business must be considered eligible according to NSBI’s operating regulations.

The incentive must be project-based. Projects are expected to create sustainable long-term employment. Cyclical peaks in employment will not be considered for assistance.

Eligibility requires that all projects should result in creation of jobs for at least 20 full time equivalents (FTEs) in Nova Scotia. Projects creating fewer than 20 FTEs will be considered when there is high strategic value or strong economic benefit.

Companies that have previously received an incentive under the Program will not be eligible for additional incentive unless the project is incremental to the peak FTE level attained by the company under the previously provided incentive.

Projects that are considered to be competitively harmful to existing Nova Scotia business will not be considered.

The company will collect and remit employee payroll taxes in accordance with the Income Tax Act (Canada).

Application Requirements

Historical and/or projected financial statements of the company and any additional financial information that may be required by NSBI to assess the financial viability of the company.

Acceptable reports providing information with respect to the company's ownership, management, products, markets, and suppliers sufficient for NSBI to complete an evaluation of the company's operating risk.

Project plan, which may include project timelines, budgets, and anticipated impacts of the project on the company's competitiveness.

Criteria

The company and the project must have reasonable prospects for continued growth and success. The company should be profitable, with a proven track record. In addition, the project must be export-oriented and should be in a provincial strategic economic sector.

The company must also demonstrate:

- Strong management (corporate and local)
- Economic benefit to the province (e.g., estimated number of FTEs created/retained, linkages with other sectors, improved competitiveness, non-competition with Nova Scotia industries, import substitution)
- Going concern financial growth prospects
- A commitment to diverse and inclusive hiring practices for the Nova Scotia operation

Performance Conditions

The incentive is contingent on specific targets the company must achieve, which will typically be the creation of (x) FTEs by a specific date and with an average annual salary/wage of a specific amount. These targets are expected to still be in place at the end of the rebate period.

Companies may be required to achieve additional targets with respect to capital project completion such as, but not limited to, investment or export targets, if applicable.

The company must provide an Independent Practitioner's Reasonable Assurance Report on Compliance, certifying that the employment, wage and other targets have been achieved. The report must contain the following information:

- Incremental gross wage or payroll amount (including benefits) and the number of incremental and/or maintained employees and hours worked according to the Company's records on each anniversary date from the project commencement;
- Gross wage or payroll amount, including benefits, and the total number of FTEs of the company on each anniversary date from the project commencement;
- Incremental employees' province of residence; and
- Applicable export, investment and capital project details (if applicable);
- Confirmation of existing Nova Scotia FTEs and payroll (if applicable);
- Substantiation of any other required targets.

Payment Terms

Rebates will be paid following provision by the company of all information required by NSBI to verify compliance with the terms and conditions of the payroll rebate agreement.

In most cases, rebates will be paid annually on each anniversary from the project commencement.

Payment term generally average five years.

Appendix B: Nova Scotia Business Fund

The Nova Scotia Business Fund is the historic source of capital for Nova Scotia Business Inc.'s business lending activities. The Nova Scotia Business Fund has not issued any new business development incentives since fiscal 2014-2015.

The portfolio currently has approximately \$42.1 million outstanding to 23 companies located throughout the province. Net new capital needed for Nova Scotia Business Inc. to continue to meet the financing needs of current clients is estimated to be \$100,000, with repayments of current outstanding investments estimated to be about \$3.7 million.

Regulations for the Nova Scotia Business Fund require determination of specific parameters for investment decisions and the profile of the portfolio on an annual basis.

The following outline the parameters for investment decisions for the Nova Scotia Business Fund should new business development incentives be issued:

- Annual sector investment targets:
 - traditional: 16%
 - knowledge based (information and communications technology and life sciences): 20%
 - manufacturing: 45%
 - energy: 9%
 - ocean technology: 5%
 - other: 5%
- \$15 million maximum per company (investments exceeding this amount will be considered in exceptional circumstances).
- Maximum of 20% of the Nova Scotia Business Fund available for working capital investments.
- Borrowing rates established based on risk, term, and optionality (e.g., interest capitalization, principal holiday, extended amortization).