

ACCOUNTABILITY REPORT 2016-2017

innovacorp
EARLY STAGE VENTURE CAPITAL

We get invested.

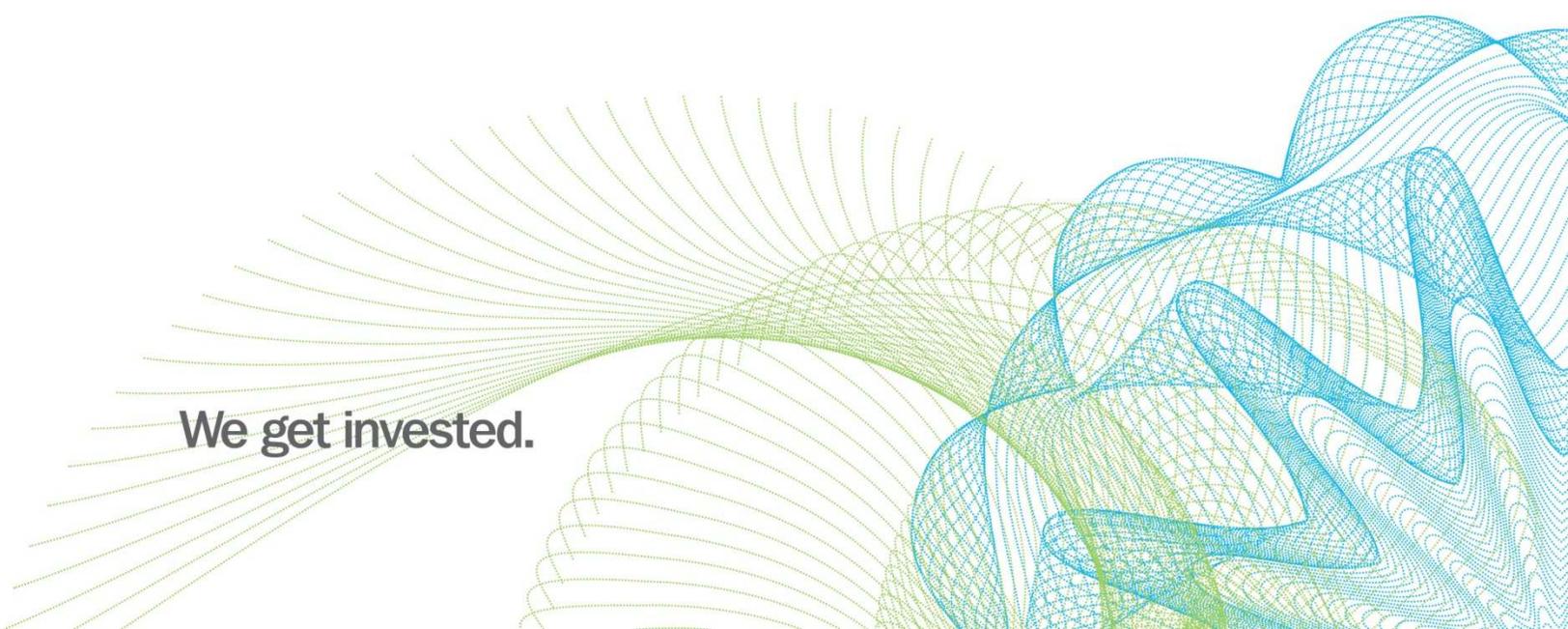


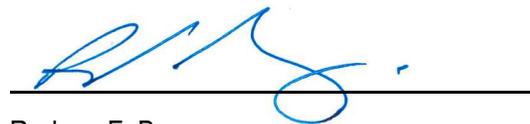
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Accountability Statement

Innovacorp's accountability report for the fiscal year ending March 31, 2017, is prepared pursuant to the Finance Act and government policies and guidelines. These authorities require the reporting of outcomes against Innovacorp's business plan for 2016-2017. Reporting of Innovacorp's outcomes necessarily includes estimates, judgments and opinions by Innovacorp management and may embody risks and uncertainties that could materially impact actual results.

We acknowledge this accountability report is the responsibility of Innovacorp management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in Innovacorp's business plan for the year.



Rodney F. Burgar
Chair, Innovacorp Board of Directors



Stephen Duff
President & CEO, Innovacorp

Message from the Board Chair and CEO

This accountability report covers Innovacorp's business plan for 2016-2017 and therefore should be read in conjunction with that plan, which you can find at www.innovacorp.ca/publications. The report reviews the goals and priorities set by Innovacorp's board of directors in March 2016 and describes the accomplishments and progress achieved during the year ending March 31, 2017. Financial results are provided along with an explanation for any significant budget variances.

At Innovacorp, we believe in Nova Scotia entrepreneurs. Our mission is to find, fund and foster innovative Nova Scotia start-ups that strive to change the world, and our vision is that this region will one day be among the top 10 start-up ecosystems in the world. Governed by a private sector-led board of directors, we are an accountable, fiscally responsible provincial crown corporation that helps high potential early stage Nova Scotia companies commercialize their technologies and succeed in the global marketplace.

Early stage investment is at the core of our business model, and we provide hands-on business advisory services, tailored to meet the unique and evolving needs of each promising technology company in our portfolio. We also give entrepreneurs access to world-class incubation facilities and leverage strategic partnerships to introduce our clients to an international network of expert advisors and investors to accelerate their success.

In our last three accountability reports, we referenced data captured by Entrevestor that highlights the robust growth of the region's start-up economy. The latest survey results showed continued evolution and growth of our innovation ecosystem.¹ The 2016 survey documented 414 start-ups in Atlantic Canada, 217 of which were Nova Scotia-based, representing a year-over-year increase of 14 per cent. These companies continue to scale, raise capital, hire skilled professionals and grow export revenue. The Atlantic Canadian start-ups surveyed are estimated to have payrolls of over 5,000 employees. Half of these companies are generating \$100,000 or more in annual revenue and 37 of them are over the one-half million dollar mark in revenue.

According to the Canadian Venture Capital Association,² Atlantic Canada attracted \$103.3 million in venture capital in 2016, \$64 million of which was invested in 22 Nova Scotia companies. This represents a year-over-year regional increase of \$13 million, or 25 per cent. Ranked by city, Halifax was sixth nationally, with \$62 million invested in 19 companies. In the category of government-backed venture capital, Innovacorp ranked fifth nationally in the number of investments made in 2016.

Growth in investment and start-ups represent two important elements of the ONE Nova Scotia Commission (i.e., "Ivany report"). The commission set a target for Nova Scotia to achieve the national average for per capita venture capital by 2024. Although per capita venture capital in Nova Scotia has surged from \$19 to \$54 to \$67 over the past three years (adjusted for population growth), the Canadian average has demonstrated parallel growth from \$53 to \$64 to \$88. This leaves a gap of \$21 per capita, or 24 per cent, between the Nova Scotian and Canadian averages.

According to Entrevestor data, since 2013 the number of Atlantic Canadian start-ups has grown 2.5-fold from 162 to 414, with the Nova Scotia component increasing from 139 to 217 or 1.6-fold. In 2016-2017, Innovacorp completed 13 investment transactions totaling \$5.6 million and three of those companies were new to our portfolio. Innovacorp leveraged an additional \$18.3 million in private investment

¹ Entrevestor Atlantic Canadian Startup Data 2016 • © 2017 by Peter Moreira

² Canadian Venture Capital Association • Venture Capital and Private Equity Canadian Market Overview 2016

in those 13 deals, the majority from sources outside Nova Scotia. Our portfolio companies raised a further \$18.6 million through deals in which Innovacorp did not participate. In addition, in 2016-2017 our portfolio companies generated about \$40.5 million in revenue (an increase of 19 per cent) and employed 534 people (an increase of 9 per cent), resulting in a payroll of \$42.3 million (an increase of 13 per cent), most of which was in the form of high-value jobs.

Innovacorp's Nova Scotia First Fund (NSFF) saw changes in 2016-2017. The five-year, \$24 million clean technology fund was concluded on schedule and \$11 million of uninvested statutory capital was returned to NSFF for sector-nonspecific investments. In October 2016, this capital was augmented with \$29 million in new NSFF statutory capital. As of March 31, 2017, NSFF had a carrying value of \$31.4 million, including investments in Build Ventures and Cycle Capital Funds I & III, \$10.5 million in commitments, and \$66 million available for new and follow-on investments in promising Nova Scotia start-ups (including \$25 million for a new technology seed capital investment fund).

In 2014, the Province of Nova Scotia announced it would create a new \$25 million technology seed capital investment fund which would be private sector-managed. In July 2016, Innovacorp was asked to lead the process to secure the fund manager. A selection committee including three seasoned, private sector venture capital professionals was established and has developed a short list from the seven respondents to the Request for Submission issued in October 2016. As of March 31, 2017, due diligence on the shortlisted candidates was underway, with a recommendation for fund manager expected in the summer. It is anticipated the new fund will be active in the fall of 2017.

Along with venture capital investment, Innovacorp provided hands-on business guidance to the companies it invested in. We also delivered world-class incubation services and facilities – places Nova Scotia's technology entrepreneurs call home. In 2016-2017, 29 promising companies were resident in Innovacorp's incubation facilities – the Technology Innovation Centre (TIC) in Dartmouth, the Innovacorp Enterprise Centre (IEC) in Halifax, and the Innovacorp Demonstration Centre in Brooklyn – with occupancy fluctuating between 85-95 per cent throughout the year. As of March 31, 2017, these companies employed 350 people.

Further, in November 2016 Innovacorp received a mandate to create and manage an incubator for early stage ocean technology companies at COVE (Centre for Ocean Ventures and Entrepreneurship) on the former Canadian Coast Guard land on the Dartmouth waterfront. Our plans for the new incubator, Start-Up Yard, led us to launch several new initiatives to engage entrepreneurs in the ocean sector and support their commercialization efforts.

In late 2016-2017, plans for Momentum in Sydney were finalized. Momentum will bring together Cape Breton's start-ups, entrepreneurs and innovators and the many organizations committed to their success. The goal is to build on the tremendous momentum of the region's vibrant start-up community through shared resources and services, mentorship, education and training, incubation, acceleration programs, events, and joint-promotion. There are many partners behind the creation of Momentum, and Innovacorp will manage the initiative.

Innovacorp works to ensure alignment with the provincial government's priority of innovation and to establish Nova Scotia as a strong and globally competitive economy. We help create a climate for private sector and social enterprise economic growth by concentrating our efforts on the following priorities in government's Framework for Private Sector Growth:

- Increasing Entrepreneurship and Start-ups
- Supporting Innovation and Commercialization
- Striving for Global Competitiveness, Trade and Investment
- Building Capacity in High Potential Clusters

The following pages provide details about Innovacorp's activities and accomplishments in 2016-2017 – accomplishments that are a reflection of our clients' success. We continue to support Nova Scotia entrepreneurs and remain confident that each start-up milestone achieved takes us a step along the path to realizing the ONE Nova Scotia Commission's vision for a prosperous Nova Scotia.

2016-2017 Financial Results

Summary By Section	Budget 2016-2017 (\$ thousands)	Actual 2016-2017 (\$ thousands)	Variance 2016-2017 (\$ thousands)
Revenue – provincial funding and other revenue	\$11,176	\$13,402	\$2,226
Operating Expenses – Incubation and Investment	8,281	10,343	2,062
Corporate Expenses – Corporate Services	1,978	1,604	(374)
Non-Operating Items – NSFF total return, post-retirement benefits and long-service award, amortization, and interest income/expense, dividends, and capital gains/losses	(1,058)	(2,867)	(1,809)
Plus – statutory capital advances re NSFF and clean technology fund investments	-	7,108	7,108
Net (Deficit) Surplus	\$(141)	\$5,696	\$5,837

Explanation of Variances

Revenue

Innovacorp's revenue was \$2,226 thousand higher than budget. Highlights of the changes are summarized in the following table:

Thousands of dollars

Budget 2016-2017	\$11,176
Additional provincial funding for various activities and events	1,451
Additional funding (federal, private sector, etc.) for various activities and events	699
Additional provincial funding for Innovation & Business Competitiveness Fund	250
Additional provincial funding for Start-Up Yard at COVE	134
Reduction in provincial funding for clean technology awards	(171)
Reduction in required provincial funding for Innovacorp Demonstration Centre	(88)
Other	(49)
Actual 2016-2017	\$13,402

Operating Expenses

Innovacorp's operating expenses were \$2,062 thousand higher than budget. Highlights of the changes are summarized in the following table:

Thousands of dollars

Budget 2016-2017	\$8,281
Various funded activities, events and awards	2,229
Unbudgeted Start-Up Yard at COVE expenses	134
Increase in programming activities	70
Common area costs at the Innovacorp Enterprise Centre were less than anticipated	(113)
Other	(258)
Actual 2016-2017	\$10,343

Corporate Expenses

Innovacorp's corporate expenses were \$374 thousand lower than budget primarily related to the movement of \$250 thousand programming budget to Incubation.

Net Non-Operating Expenses

Innovacorp's net non-operating expenses were \$1,809 thousand higher than budget. Highlights of the changes are summarized in the following table:

Thousands of dollars

Budget 2016-2017	\$1,058
Investment and loan impairments in excess of budget	3,466

Gains on disposition of NSFF investments	(1,139)
NSFF portfolio dividends and interest revenue in excess of budget	(466)
Decrease in long-term disability expense	(50)
Other	(2)
Actual 2016-2017	\$2,867

Statutory Capital Advances

Statutory capital advances are unbudgeted and are recognized as revenue at the later of the date on which the funds are received from the Province of Nova Scotia and the date on which an investment is made.

Net Surplus (Deficit)

Innovacorp's surplus was \$5,837 thousand higher than budget. Highlights of the changes are summarized in the following table:

Thousands of dollars	
Budget 2016-2017	\$(141)
Statutory capital	7,108
Gains on disposition of NSFF investments	1,139
NSFF portfolio dividends and interest revenue in excess of budget	466
Common area costs at the Innovacorp Enterprise Centre were less than anticipated	113
Decrease in long-term disability expense	50
Investment and loan impairments in excess of budget	(3,466)
Other	427
Actual 2016-2017	\$5,696

Measuring Our Performance

Entrepreneurship and Start-ups

1. Make 8-12 investments in Nova Scotia start-ups, deploying \$4-8 million in venture capital and leveraging this investment 1:1 in pre-seed/seed rounds and 2:1 in Series A rounds

Innovacorp's Nova Scotia First Fund (NSFF) was the fifth most active government-backed venture capital fund in Canada in 2016.

NSFF targets emerging venture-grade technology companies with high-growth potential and attractive risk-return prospects. A priority in 2016-2017 was to sustain our investment pace by making 8-12 investments in early stage Nova Scotia companies in the information technology, life sciences, clean technology and ocean technology sectors. Further, we sought co-investors to leverage NSFF investments, with an emphasis on venture capital partners from outside Nova Scotia to increase the pool of risk capital in the province. Here are some highlights of our 2016-2017 venture capital activity:

- In 2016-2017, Innovacorp made 13 investments in 12 companies, advancing \$5.6 million. Of this, \$4.68 million was for follow-on investments in seven existing portfolio companies, which reflects the maturing nature of our portfolio. This includes \$175,000 in second tranches of previously approved deals in two portfolio companies. Further, investment commitments of about \$1.5 million were made to four companies, two of which will be new to the portfolio.
- Innovacorp's \$5.6 million investment leveraged an additional \$18.3 million in venture capital and private equity, the majority from sources outside Nova Scotia. This represents a leverage ratio of 1:3.26, which exceeds our weighted portfolio target ratio of 1:1.6. Portfolio companies raised a further \$18.6 million through deals in which Innovacorp did not participate.
- Innovacorp made investments in information technology companies: The Money Finder (\$250,000), Dash Hudson (\$280,000), Ubique (\$200,000) and Vendeve (\$25,000; a second tranche release of an investment approved in the prior year).
- Innovacorp made investments in life sciences companies: ABK Biomedical (\$1.094 million), Densitas (\$500,000) and Appili Therapeutics (\$500,000).
- Innovacorp made investments in clean technology (including ocean technology) companies: Metamaterial Technologies (\$1.5 million), SkySquirrel Technologies (\$750,000), WoodsCamp (\$250,000), Swell Advantage (\$50,000) and Island Water (\$150,000; a second tranche of an investment approved in the prior year).
- Innovacorp invested \$3.07 million as a limited partner in three funds: Build Ventures (\$2,941,468), which is the Atlantic Canada venture capital fund, and clean technology investor Cycle Capital's Funds I & III (\$123,349).
- In October 2016, Innovacorp portfolio company AnalyzeRe was acquired by New Jersey-based Verisk Analytics (VRSK) for \$9.5 million USD. Innovacorp's total investment in AnalyzeRe was \$600,000 CAD.
- Approximately \$2.54 million in distributions were generated by NSFF in 2016-2017 through a combination of exits, secondary share sales, dividends and interest.

- Since 2011-2012, NSFF has invested \$34.6 million in 50 early stage companies. NSFF has advanced \$11 million to Build Ventures and Cycle Capital's Funds I & III – with an additional \$7 million committed to them. Commitments for venture capital investments and funds set aside to invest in the most promising graduates of Propel ICT's regional accelerator program total \$3.2 million. As of March 31, 2017, NSFF had approximately \$41 million undrawn and available for new investments and follow-on investments in portfolio companies, plus an additional \$25 million for the creation of a new technology seed capital fund.

2. Deliver the Spark Cape Breton Innovation Challenge

- The fourth cohort of Spark Cape Breton launched in May 2016. Entrants were required to be a start-up based in Cape Breton or the Mulgrave area with a new knowledge-based product and/or service and zero sales revenue since inception. The competition attracted 25 submissions, most of which were from new start-ups and new entrepreneurs and many had ties to post-secondary institutions. The shortlisted companies participated in several training sessions, including workshops on sales, how to make a pitch, and the lean-canvas approach to building a business plan, and they received accounting services tailored to their business. In early September 2016, an expert judging panel awarded \$225,000 to seven companies.
- The first Spark West competition was launched in the fall of 2016. Entrants were required to be a start-up based in western Nova Scotia, including Lunenburg, Queens, Shelburne, Yarmouth, Digby, Annapolis, Kings and Hants counties, with a new knowledge-based product or service and no sales revenue since inception. Innovacorp received 32 submissions and 10 companies were invited to pitch their ventures to judges. Six companies received a total of \$200,000 in awards.
- Spark Cape Breton and Spark West are delivered by Innovacorp with funding assistance from ACOA.

Support Innovation and Commercialization

3. Deliver the Productivity and Innovation Voucher Program

- In 2015-2016, Innovacorp assumed responsibility to deliver the Productivity and Innovation Voucher Program (PIVP), which is intended to help small and medium-sized businesses become more productive and innovative while building stronger linkages between businesses and Nova Scotia universities and colleges. In 2016-2017, we received 152 applications, with 56 companies receiving vouchers for universities and community colleges. The PIVP has two tiers – Tier 1 offers vouchers, or credit notes, of up to \$15,000 for eligible applicants that have not previously been awarded a voucher, or are applying with a new project. Tier 2 offers vouchers of up to \$25,000 to build on work done through a previously awarded Tier 1 voucher. This year, 39 companies received Tier 1 vouchers and 17 received Tier 2 vouchers. The total value of the support was \$1.01 million. Eligible services included applied research, engineering services, prototyping, product design, market advice and field testing.

4. Deliver the Early Stage Commercialization Fund

- In 2016-2017, Innovacorp ran two cohorts of the Early Stage Commercialization Fund (ESCF). The purpose of ESCF is to provide funding and go-to-market support for university and college research projects that demonstrate potential to advance a technology to a prototype or proof-of-concept stage and market readiness. Forty-four submissions were received, with a total of \$595,000 committed to 14 projects from two institutions. Further, eight spinout companies and four licensing agreements resulted from ESCF projects that received funding over the past two years. *Note: These figures do not include awards delivered through the Life Sciences Pre-Investment (LSPI) program, a sector-specific offering under ESCF. LSPI is described on page 11.*

5. Provide incubation infrastructure and resources to 25 high potential start-ups

In 2016-2017, Innovacorp continued to enhance the incubation client experience at the Innovacorp Enterprise Centre (IEC) on the Dalhousie University campus, the Technology Innovation Centre (TIC) in Dartmouth, and the Innovacorp Demonstration Centre (IDC) on the former Bowater site in Brooklyn. Here are some of the highlights of our 2016-2017 incubation activities:

- In 2016-2017, Innovacorp delivered world-class incubation services and facilities to 29 technology companies which together employed 350 skilled professionals.
- The Technology Innovation Centre underwent a refit to transform the former foyer and create a more open and technologically-enabled social space that encourages more client connections and collaborations.
- The revised incubation entry and exit criteria introduced in 2015-2016 was fully implemented in 2016-2017. The changes were intended to better understand business progress, address company gaps and issues, and improve Innovacorp's client support through regularly scheduled milestone review meetings. The result has been a number of client graduations, with the vacated spaces quickly filled with new start-ups and existing clients seeking more space for growth.
- In October 2013, Innovacorp was named one of five designated Canadian business incubators under the federal Start-Up Visa Program. The program is intended to attract foreign entrepreneurs who wish to establish new, high-growth businesses in Canada that will support innovation and job creation. Innovacorp can recommend entrepreneurs to receive a start-up visa from Immigration, Refugees and Citizenship Canada (IRCC) under the program's business incubation stream. To be eligible to receive a start-up visa, prospective immigrant entrepreneurs must prove their business venture is supported by a designated organization; meet Canadian language requirements; meet the education requirements; and have a sufficient settlement fund. Since inception, we have had more than 500 applicants and have accepted five companies into the program: MouseStats (IT, Iran), Skyline (IT, China), Shout! (IT, Portugal), Agada Biosciences (life sciences, U.S.) and Apptomony (IT, Costa Rica). In 2016-2017, Innovacorp filed applications with IRCC for two additional companies and approvals are expected in 2017-2018. All the founders we accepted under this program so far continue to build their start-ups in Nova Scotia, and a couple of them have advanced significantly towards attracting venture capital.

Strive for Global Competitiveness, Trade and Investment

6. Portfolio companies will grow export sales, employment and payrolls

From the companies we invest in, to those residing at our incubation facilities, to those participating in our many programs, competitions and workshops, the vast majority of start-ups Innovacorp works with are export-driven. In 2016-2017, Innovacorp targeted a total of \$40 million in export sales, \$31.5 million in payroll and 420 employees at its portfolio companies. Growth in export sales and payroll results in a positive economic impact for Nova Scotia.

- For 2016-2017, Innovacorp portfolio companies generated \$40.5 million in export sales revenue, an annual increase of \$6.5 million, or 19 per cent.
- In 2016-2017, Innovacorp portfolio companies generated an aggregate payroll of \$42.3 million, an annual increase of \$4.9 million, or 13 per cent.
- In 2016-2017, Innovacorp portfolio companies employed 534 skilled professionals, an annual increase of 43 employees, or 9 per cent.

Build Capacity in High Potential Clusters

7. Partner to develop sector-focused innovation hubs that provide infrastructure and resources early stage companies need to launch and grow

- In November 2016, Innovacorp received a mandate to create and manage Start-Up Yard, an incubator for early stage ocean technology companies at COVE (Centre for Ocean Ventures and Entrepreneurship). We developed and launched new initiatives in the latter half of the year to engage entrepreneurs in the sector and to support their commercialization plans. An infrastructure fit-up is currently underway at COVE with a targeted opening date of April 2018.
- In March 2017, plans for Momentum in Cape Breton were finalized. Momentum will bring together the region's start-ups, entrepreneurs and innovators and the many organizations committed to their success. The goal is to build on the tremendous momentum of Cape Breton's vibrant start-up community through shared resources and services, mentorship, education and training, incubation, acceleration programs, events, and joint-promotion. Momentum's primary site will be at the former Holy Angels High School in downtown Sydney, however the initiative will include other interested communities across the region. ACOA and the Province of Nova Scotia have provided three years of operating funding for Momentum. Many partners were behind the creation of Momentum. Innovacorp's regional manager in Cape Breton will manage the initiative.

8. Create sector-focused funds that leverage external funding sources so start-ups in promising clusters have the capital they need to be successful

- Evolving from the former CleanTech Pre-Investment (CPI) program, Innovacorp's new CleanTech Accelerate Program (CTAP) in 2016-2017 helped 10 Nova Scotia clean technology companies get investment ready. Two cohorts of five companies each received \$20,000 per company to address key technical and business milestones. Program participants joined thenextphase, a three-day business

acceleration workshop and also received training and mentor support through Montreal-based clean technology accelerator Ecofuel. CTAP was delivered by Innovacorp with funding assistance from ACOA.

- Inspired by our new mandate at the Start-Up Yard at COVE, the Demo at Sea Program was designed to let promising Nova Scotia ocean technology companies demonstrate and test their pre-commercial prototypes in a real-life setting. The program provided access to LeeWay Marine vessels and their skilled marine operators, the Fast Advanced Sensor Technology (FAST) Platform at FORCE, and flume tanks. Demo at Sea supported six ocean technology companies in 2016-2017.
- To further support client pipeline development for Start-Up Yard at COVE, the OceanTech Early Adopter Program was launched to provide Nova Scotia ocean technology companies with up to \$20,000 each towards the first deployment and testing of a product with an early adopter customer. Potential customers included government entities, academic institutions, and private companies anywhere in the world. Customers had to agree to provide test data and feedback. Funds were used to build the product and operate it during testing, as well as for company travel and other costs related to product deployment. Six companies each received \$20,000 under the Early Adopter Program in 2016-2017.
- The Life Sciences Pre-Investment (LSPI) program helps Nova Scotia life sciences companies get investment ready.³ Funds can be used to assess market potential, develop go-to-market strategies, perform strategic planning, create/update business plans, assist with intellectual property protection strategies, finish proof-of-concept development, build prototypes and leverage other funds. In 2016-2017, two companies received a total of \$75,000 under LSPI.

9. Deliver sector-specific and entrepreneur-focused initiatives and partnerships so our clients can access the expertise and resources they need to succeed in global markets

- In 2015, Innovacorp entered into a two-year, renewable partnership with Bioenterprise Corporation to launch a Halifax office. Headquartered in Guelph, ON, Bioenterprise is a non-profit business accelerator, offering commercialization services to help promote the creation, growth and expansion of businesses in the agricultural technology sector. Dedicated to transforming cutting-edge ideas into commercial success, Bioenterprise provides business services, scientific and technical expertise, industry knowledge and global connections. In 2016-2017, we analyzed 30 new agricultural technology companies which resulted in 19 client engagement contracts – 15 of which were start-ups less than two years old. These engagements resulted in the creation of over 30 jobs and new business investment of \$6 million.⁴ The Innovacorp-Bioenterprise partnership has successfully leveraged federal funding under the Canadian Accelerator and Incubator Program (CAIP) and in 2016-2017 an aquaculture specialist was added to the team and based at Innovacorp's Technology Innovation Centre.
- In 2016-2017, Innovacorp partnered with the Nova Scotia Department of Energy on several initiatives to help researchers and early stage companies move their smart energy innovations closer to commercialization. For example, the Smart Energy Development Program provided companies with up to \$20,000 each to address short-term milestones in their technology development plans. Eligible technologies had to promote customer control, integrate systems, and increase the value of renewable, non-carbon-based power generation while increasing its use in heating and transportation. Funds

³ LSPI is a sector-specific offering under the Early Stage Commercialization Program, which is described on page 9.

⁴ Hutchinson's Maple Products – the NS Export Achievement Award Winner in 2017 – was a Bioenterprise client in 2015-2016

awarded were used to build and test products, engage academic and industry expertise, and complete other technology validation activities (e.g., prototypes, pilot testing, certification). Meanwhile, the Smart Energy Demonstration Program provided support to projects addressing issues in Nova Scotia's electricity system, enabling demonstration of pre-commercial technologies with large export potential. In the fall of 2016, two companies were each awarded \$20,000 under the Smart Energy Development Program, while the Smart Energy Demonstration Program awarded \$500,000 to Green Power Labs and SUNLINX to work with Nova Scotia Power and other key partners to integrate solar power and energy storage in a building and control it by smart software and internet communication.

- In 2016-2017, Innovacorp was one of only four Atlantic Canadian organizations to partner with the Toronto-based MaRS Innovation Hub and gain access to the MaRS Market Intelligence database offering. The service provides access to 14 premium databases, providing our clients with the ability to gain market, technical and competitive intelligence. Twenty client companies took advantage of this service in 2016-2017 and the total value of the market research provided to start-ups was \$707,000.

Appendix A: Key Performance Indicators

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Target 2016-17	Actual 2016-17
Entrepreneurship and Start-ups					
Total investment by Nova Scotia First Fund - NSFF (\$ millions)	\$5.1	\$8.4	\$6.7	\$4 - 8	\$5.6
Amount of investment leveraged by NSFF (\$ millions) (cumulative from February 1996)	\$141	\$155	\$162	\$181	\$199
Investment leverage (blended 1:1 pre-seed/seed; 1:2 post-seed)	1:1.5	1:2.1	1:1.2	1:1.6	1:3.3
Number of NSFF investments	11	12	18	12	13
Number of Spark Cape Breton submissions	25	28	28	25	25
Number of Spark Cape Breton awards	6	8	6	6	7
Value of Spark Cape Breton awards (\$ thousands)	\$200	\$200	\$200	\$200	\$225
Support Innovation and Commercialization					
Number of Productivity & Innovation Vouchers issued	51	52	59	50	56
Number of new business-to-university linkages	32	24	44	40	40
Value of vouchers issued (\$ thousands)	\$865	\$940	\$1,050	\$1,000	\$1,010
Number of ESCF (incl. LSPI) projects	15	13	14	15	16
New licensing deals from ESCF in previous two years		3		4	4
New spin-outs from ESCF in previous two years		9		2	8
Value of ESCF projects, incl. LSPI (\$ thousands)	\$586	\$640	\$500	\$500	\$670
Number of start-ups under incubation	25	27	28	25	29
Number of employees at companies under incubation	196	253	304	200	350
Strive for Global Competitiveness, Trade and Investment					
Portfolio company export sales (\$ millions)	\$25.2	\$26.3	\$34.0	\$40.0	\$40.5
Total payroll of portfolio companies (\$ millions)	\$25.7	\$27.4	\$37.4	\$31.5	\$42.3
Total employment of portfolio companies	347	376	491	420	534
Build Capacity in High Potential Clusters					
Number of CleanTech Acceleration Program (formerly CleanTech Pre-Investment Program) companies supported			5	5	10
Number of Life Sciences Pre-Investment Program (LSPI) companies supported			3	5	2
Number of start-ups supported through Bioenterprise partnership			11	10	19

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