



# Business Plan

2024-25

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# Message

## from the Minister of Economic Development

Together, the Department of Economic Development and its Crown corporation, Invest Nova Scotia, are turning challenges into opportunities.

As we approach a new era for our province, Invest Nova Scotia will continue to increase its reach and impact, ensuring more businesses and entrepreneurs benefit from its work, and deliver on government priorities, including growing a healthy economy. We will also work with companies to target innovation, competitiveness and decarbonization.

We know that capital is crucial for businesses, so Invest Nova Scotia will continue providing support that unlocks additional investment from the private sector and collaborators.

It's also important for Nova Scotia to expand high-paying sectors that make up our economy and increase our overall productivity, as this is key in increasing the standard of living for Nova Scotians. This will remain at the forefront of our work.

Our collective commitment to productivity, innovation, sustainability and growth has never been stronger. Now is the time to embrace the opportunities before us so together, we can shape a more prosperous future for Nova Scotia.

Sincerely,

**Susan Corkum-Greek**

Minister of Economic Development and Minister responsible for Invest Nova Scotia

# Key Areas of Focus for 2024-25

## 1. Growing Nova Scotia's strategic sectors

Invest Nova Scotia will enable and drive economic development initiatives across the province, facilitating collaboration in key sectors and supporting large-scale private-sector investment and growth. We will:

- Design and deliver investment attraction initiatives focused on attracting innovative, highly productive, sustainable exporters and creating high-value jobs across the province.
- Work with the private sector and government partners to drive economic growth through strategic property management and development of industrial real estate owned by Invest Nova Scotia.
- Find and support new high-potential technology companies and encourage entrepreneurial activity across Nova Scotia.

## 2. Enabling increased productivity for all sectors and businesses across the province

Innovation and sustainability are at the root of everything we do. Invest Nova Scotia will support companies in making the investments they need to drive productivity and competitiveness and progress towards achieving net zero commitments. We will:

- Work with businesses of all sizes in all communities and at every stage of the lifecycle to scale and build capacity, adopt technology, expand to new markets, and grow through export.
  - » Innovation Rebate Program – we will enable more Nova Scotia businesses to increase innovation capacity and drive sustainability through private-sector capital investments and the adoption of innovative technologies.
  - » Atlantic Trade & Investment Growth Agreement – Invest Nova Scotia will leverage federal funds and collaborate regionally to improve the international competitiveness of the region's small and medium-sized businesses through market diversification (Market Expansion Development Program), export sales (Trade Missions & Trade Shows), international investment and technology partnerships (Scale-Up Hubs).
- Provide advice, navigation services, and export programming for companies to acquire new clients, seek investment, and diversify markets, improving their competitiveness. (Export Development Program, Trade Market Intelligence Service).
- Leverage networks and build key alliances at home and abroad to support innovation, investment, and exports.

# Key Areas of Focus

## for 2024-25

### 3. Investing in new ideas and entrepreneurship to grow the economy

At Invest Nova Scotia, we know that our start-ups and small and medium-sized companies need to be productive and competitive to sell their products, services, and technologies in more and larger markets outside our borders. Invest Nova Scotia will work with businesses at all stages and in all regions to build the knowledge and skills needed to grow and scale. We will:

- Work with stakeholders, including the private sector and other government departments, and strengthen connections with post-secondary education institutions (PSE) and business accelerators and incubators (BAI) to progress projects that facilitate innovation, investment, and **decarbonization efforts while driving economic development in all regions**.
- Build capacity and competencies in entrepreneurs to help them maintain supply chains, identify innovative business solutions, and adapt to changes in national and global markets.
- Build start-ups through three interdependent areas of activity: venture capital investment, incubation facilities, and acceleration programs and services.
  - » Make venture capital investments directly in Nova Scotia start-ups, filling a market gap and providing dollars that start-ups could not otherwise access.
  - » Invest in start-ups through our limited partnerships in external funds (Fund of Funds).
  - » Provide incubation space and services for early-stage companies in Nova Scotia's strategic growth sectors (lab, office and light-industrial space and infrastructure at The Labs, The Bays, Start-Up Yard).
  - » Deliver acceleration programs and services to start-ups approaching investment readiness (financial and non-financial support).
- Support actions that advance environmental, social and corporate governance (ESG) awareness and uptake, connect new innovations to post-secondary resources (PIVP) and strengthen the capacity of inclusive entrepreneurship across the province (Black Business Initiative, Aboriginal Economic Development, Inclusive trade programming).

# Key Areas of Focus

## for 2024-25

### 4. Ensuring all communities experience growth and prosperity

Nova Scotia's businesses have developed incredible products, innovated to create new opportunities, and contributed to the prosperity of their communities and the province. At Invest Nova Scotia, a focus on supporting business growth directly and with partners can lead to new job opportunities, resilient supply chains, and investment-ready projects. We will:

- Continue to serve as a first point of contact for businesses across the province looking for resources to support their growth.
- Partner with the Regional Enterprise Networks (RENs) and community partners to uncover investment opportunities and promote capabilities for investment.
- Work with provincial partners to support Nova Scotia companies' knowledge of provincial procurement opportunities to drive business growth.
- Promote Nova Scotia as a business jurisdiction of choice to live, work, invest and grow your business.
- Expand, develop, and convert goals and commitments in our Accessibility Plan (2023-2026) into actions to achieve a culture of accessibility in our programming, employment, and physical spaces.

# Performance Measures

## Measures

## 2024-25 Targets

### Growing Nova Scotia's Strategic Sectors

Grow Payroll across the province

Clients increase their payroll by a minimum of 10%

Attract innovative, sustainable businesses in our key sectors to establish or relocate to the province

A minimum of 10 innovative exporters establish or relocate in Nova Scotia

### Enabling increased productivity for all sectors and businesses across the province

The Innovation Rebate Program attracts and incentivizes private capital that is invested for productivity improvements

A private sector commitment of a minimum \$36 million in capital investment for productivity improvements

### Investing in new ideas and entrepreneurship to grow the economy

Nova Scotia venture capital leveraged through the Nova Scotia First Fund

Direct and external fund investments in Nova Scotia start-ups leverage a minimum of \$18 million of venture capital (i.e., \$2 leveraged for every \$1 invested through the Nova Scotia First Fund)

Value of Nova Scotia exports

Clients will achieve a minimum of 10% increase in export sales overall

# Performance Measures

## Measures

## 2023-24 Targets

### Ensuring all communities experience growth and prosperity

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Percentage of companies experiencing growth

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Baseline year development

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Percentage of clients experiencing growth outside of HRM

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Baseline year development

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Distribution map of companies



# Budget Context

## 2024-25

	Estimate 2023-24	Forecast 2024 (Dec.)	Estimate 2024-25
<b>Revenues</b>			
Provincial Grants	56,262,000	57,314,000	62,045,000
Other Revenue	1,965,800	3,043,800	2,564,500
Federal Funding	487,200	772,300	705,900
NS Business Fund: Loans & Equity	192,500	185,200	100,000
NS Business Fund: Real Properties	903,800	1,193,800	926,000
Miscellaneous Provincial Revenue	30,100	467,700	61,500
<b>Total Revenue</b>	<b>59,841,400</b>	<b>62,976,800</b>	<b>66,402,900</b>
<b>Expenses</b>			
Early Stage Commercialization Funding (ESCF)	500,000	500,000	500,000
Operating Expenses	24,935,100	28,287,800	26,017,900
Payroll Rebates	17,810,000	15,210,000	23,359,000
Innovation Rebate Program (IRP)	12,000,000	12,000,000	12,000,000
Export Development Program (EDP)	2,500,000	2,700,000	2,500,000
Productivity & Innovation Voucher Program (PIVP)	1,000,000	1,000,000	1,000,000
Wildfire Relief	-	2,117,500	-
NS Business Fund: Real Properties	903,800	1,129,100	926,000
<b>Total Expense</b>	<b>59,648,900</b>	<b>62,944,400</b>	<b>66,302,900</b>
<b>Operating surplus before non-operating items</b>	<b>192,500</b>	<b>32,400</b>	<b>100,000</b>
<b>Other (income) expense</b>			
Capital Operating Grant	-	-	(250,000)
Impairment of portfolio investments & loans receivable	500,000	500,000	500,000
Provision for credit losses	100,000	(201,000)	100,000
Realized gains on investments	(1,800)	(1,873,000)	(1,800)
Depreciation	524,800	486,600	363,000
Amortization of deferred capital funding	(146,200)	(146,200)	(146,200)
<b>Total</b>	<b>976,800</b>	<b>(1,233,600)</b>	<b>565,000</b>
<b>Surplus (Deficit) after non-operating items</b>	<b>(784,300)</b>	<b>1,266,000</b>	<b>(465,000)</b>

# Appendix A

## Strategic Investment Funds (SIF)

Pursuant to Business Development Incentives Regulations, the business plan must include the policies and guidelines governing the Payroll Rebate and any other business development incentive funded through the strategic investment funds. The Payroll Rebate is the only business development incentive funded by strategic investment funds (SIF) in fiscal 2024-25.

### Payroll Rebate

#### Overview

A Payroll Rebate is a discretionary, non-entitlement business development incentive intended to promote targeted payroll generation by creating incremental employment. Includes, where appropriate, the opportunity to target further incentives to key groups such as new residents, new graduates, underrepresented populations, and other groups deemed appropriate.

The Payroll Rebate may be used when it can be shown that a company's project generates an economic benefit to the province, including export development, investment in the province, or improved competitiveness of existing businesses in one or more of the province's key economic sectors.

#### Amount

Payroll 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 rebates 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 and any federal emergency assistance that incents or subsidizes payroll or wages must be disclosed to Invest Nova Scotia and may influence the rebate amount.

#### Eligibility

The company's business must be considered eligible according to Invest Nova Scotia's operating regulations.

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 the 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 Payroll Rebate 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 businesses will not be considered.

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

# Appendix B

## Nova Scotia Fund

Pursuant to Business Development Incentives Regulations, the business plan must include the following information in respect of the Nova Scotia Fund.

The Nova Scotia Fund portfolio currently has approximately \$25.9 million outstanding to 12 companies located throughout the province. The annual portfolio lending cap is set at \$100,000 for fiscal 2024-25 solely for the purposes of realization costs.

The Nova Scotia Fund has not issued new business development incentives since fiscal 2014-2015. The current regulations for the Nova Scotia Fund prohibit new business development incentives.