

Business Plan 2022-23

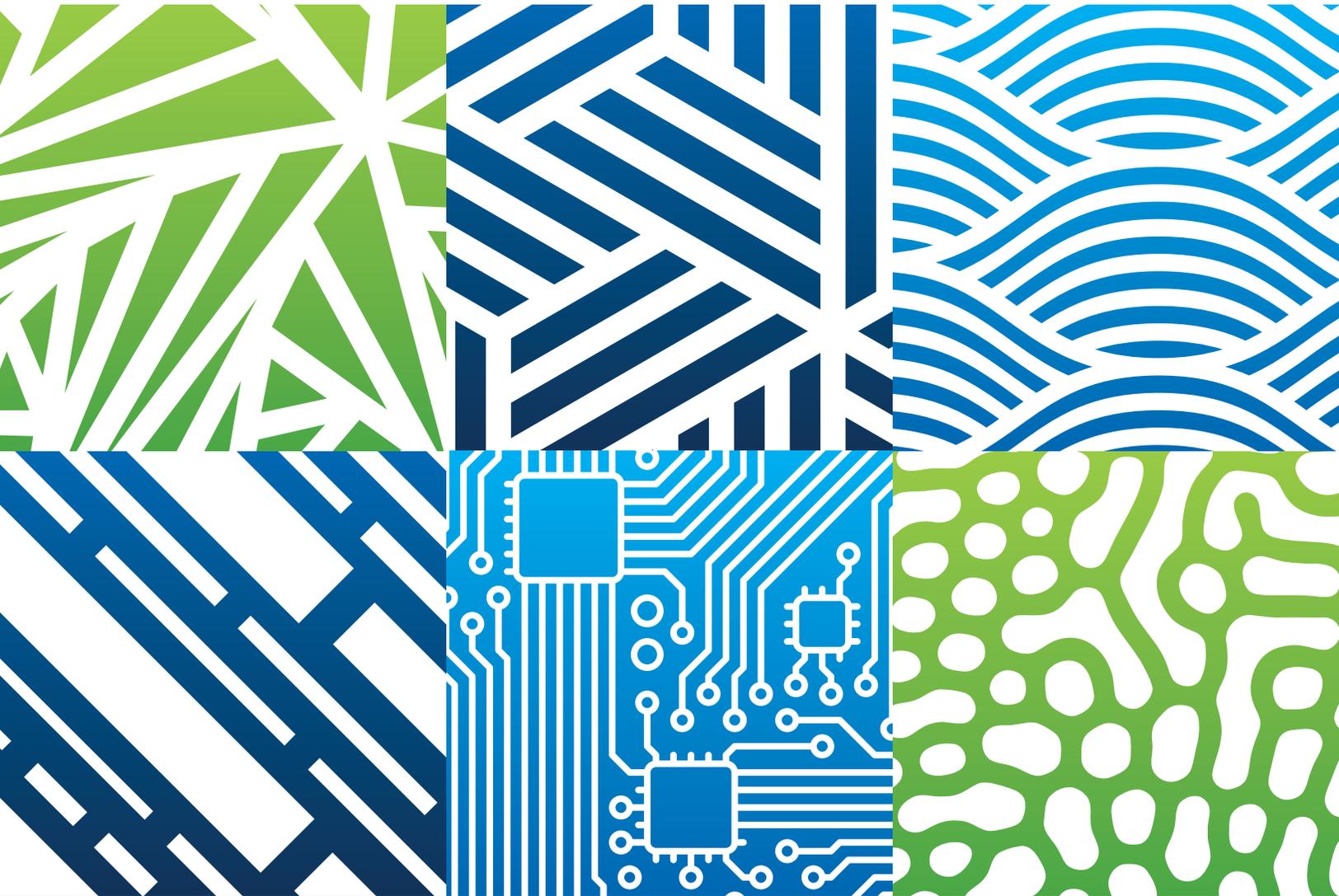


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Message from the Board Chair and CEO

More than two years since the start of global disruptions stemming from the COVID-19 pandemic, businesses, governments, and citizens - here and around the world - have continued to adapt to challenges and opportunities amid steady change and unpredictability.

As a key business development agency for the province, Nova Scotia Business Inc. has been in constant contact with our clients throughout this challenging time to better understand and respond to the impact of the pandemic on both large and small businesses and to build economic recovery in all regions. As a direct result of this connection, NSBI clients are today showing increasingly positive outcomes thanks to an innovative and responsive suite of programs and services which have been designed to help Nova Scotia companies survive and thrive beyond the pandemic.

As we look ahead to drive further progress in support of economic recovery in 2022-2023, NSBI's focused support for businesses across the province and investment attraction opportunities directed at innovative companies from around the globe will continue to help shape and grow our Nova Scotia economy. NSBI is committed to making a significant contribution to the broad effort to build a Nova Scotia with more people, stronger and sustainable businesses, better paying jobs, and increased opportunity for all Nova Scotians.

“NSBI is committed to making a significant contribution to the broad effort to build a Nova Scotia with more people, stronger and sustainable businesses, better paying jobs, and increased opportunity for all Nova Scotians.”

As our province seeks to reinvigorate and reimagine our economy post-pandemic, export and trade are critically important levers to encourage businesses to scale, grow, innovate and drive improved productivity. As enterprises across Nova Scotia build their businesses, hire more Nova Scotians and search out opportunities for growth, NSBI is here to help, advise, and support their journey -- whether a business is already exporting products or services outside Nova Scotia, or just beginning to explore what increased trade could mean for them.

“NSBI is aligned with the Province’s direction to actively encourage innovative, sustainable and green businesses to establish or relocate to the province.”

NSBI is aligned with the Province’s direction to actively encourage innovative, sustainable and green businesses to establish or relocate to the province. In 2022-2023, the newly re-launched Innovation Rebate Program will continue as NSBI’s key mechanism to ensure sustainable prosperity, helping Nova Scotia businesses adopt new technologies and innovative solutions from one end of the province to the other.

Finally, NSBI will play a critical role in the Province’s goal to double the population to two million people by 2060 and attract, on average, 25,000 new residents each year by supporting businesses in all regions to grow and create new high-value jobs for both current Nova Scotians and those seeking to call Nova Scotia home.

NSBI’s Payroll Rebate Program plays a critical role in creating new jobs that bring people to work and live in our province. Over the past six years, the Program has delivered 4,867 Full Time Equivalent roles (FTEs) and almost \$1 billion in net payroll that supports spending and economic activity.

Research from the Department of Labour, Skills and Immigration indicates that employment opportunities generate a population ratio of approximately 1:3 in Nova Scotia – meaning that for every new resident that moves to our province to work, two other people move here with them. Their studies also indicate that one of the main reasons new Nova Scotians leave our province is for economic reasons, when either the newcomer or their partner is unable to find employment. NSBI’s efforts to attract innovative, exporting companies through our payroll rebate incentive creates new high-value jobs that are critical to the success of immigration and population growth in Nova Scotia. We look forward to continuing our work with the Department of Labour, Skills and Immigration and other partners to create high-value jobs that will bring new Nova Scotians to our province to live and work.

NSBI’s business plan performance targets for 2022-2023, albeit ambitious in a post pandemic economy, are necessary for the recovery and continued economic growth we all want to see for our province. As we seek to create a prosperous future for all Nova Scotians, we at NSBI, like the businesses we are privileged to work with, are about solving current and future problems and making opportunities a reality for Nova Scotians for generations to come.



Marie Mullally
Board Chair



Laurel Broten
President and CEO

Purpose of Crown Corporations

Mandate

NSBI is an outcomes-focused, evidence-based business development agency for the Province of Nova Scotia, led by a private sector Board of Directors. Our mandate is to work with Nova Scotia businesses across the province to grow through export by providing business advisory services, skill development and training, market intelligence, financing, and support in accessing global markets. We focus on helping Nova Scotia businesses grow and create new, high-value jobs and on attracting innovative, globally competitive companies to establish a business location in Nova Scotia.

Mission

To develop and enable Nova Scotia businesses to grow through export, creating jobs and opportunity for all those who call Nova Scotia home.

Vision

A prosperous, globally successful, and inclusive Nova Scotia, today and for generations to come.

Economic Context

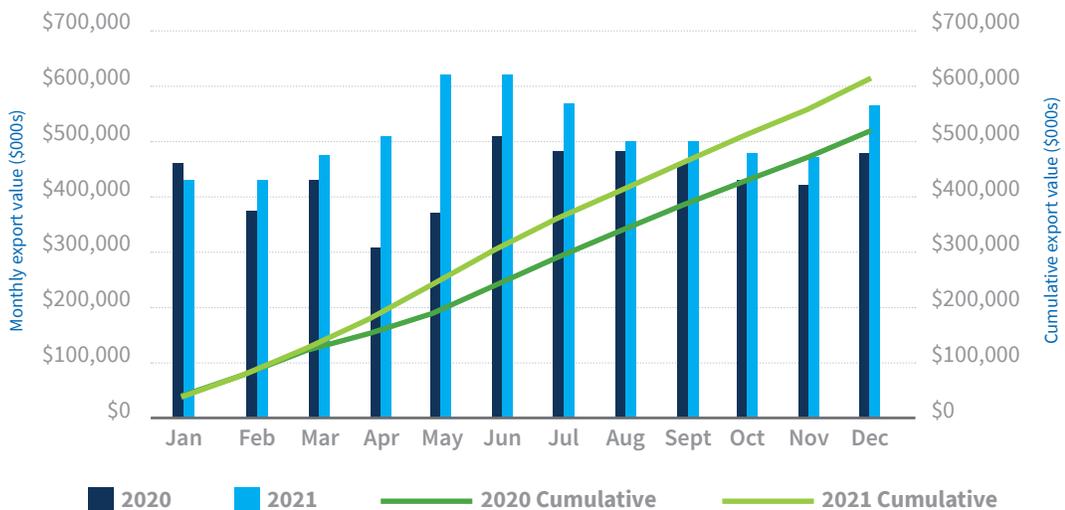
Nova Scotia's Recovery from COVID-19

Nova Scotia's economy has experienced strong, yet uneven, recovery from the impact of the COVID-19 pandemic. Some economic indicators demonstrate that Nova Scotia has not only recovered, but has also exceeded pre-pandemic levels, while others highlight that the recovery has been unbalanced with industries and populations disproportionately affected. Uncertainty due to the ongoing pandemic, supply chain disruptions and significant shifts in labour demand and supply have created a dynamic environment for Nova Scotia exporters.

International merchandise exports have returned to pre-pandemic levels with 2021 export values 1.9% higher than 2019, and 18.1% higher than 2020.

Figure 1. International Merchandise Export Value

Nova Scotia International Merchandise Export Value, Last 24 Months



COVID-19 caused significant labour force dislocation and realignment in Nova Scotia and beyond. In November 2021, the province exceeded the pre-pandemic indicator for total employed for the first time. By January 2022, employment was 1.3% (+6,200) above the pre-COVID employment level of February 2020, continuing the growth trend since the easing of restrictions in May 2021.

“The January 2022 employment level is also the highest employment on record in Nova Scotia since modern Labour Force Survey records were kept.”

The January 2022 employment level is also the highest employment on record in Nova Scotia since modern Labour Force Survey records were kept. Constrained labour supply and rebounding revenues create the conditions for concern in attracting and retaining employees to meet future sales, with 64% of surveyed Canadian small-to-medium enterprises (SMEs) reporting that labour shortages limit their growth. In the short-term, supply chain disruptions and the increased cost of transportation may also limit growth opportunities for Nova Scotia exporters, with the global container freight rate five times higher than it was pre-pandemic.

“The recovery of investment flows has been strongest to developed economies, such as Canada, and the outlook for attracting greenfield FDI and expanding existing operations is positive.”

When we shift our focus to look at Foreign Direct Investment (FDI), the rebound has surpassed forecasts with FDI flows recovering to 70% of their pre-pandemic levels following the unprecedented 35% decline in 2020. The number of FDI projects in Canada was down 49% in 2020 over 2019. The recovery of investment flows has been strongest to developed economies, such as Canada, and the outlook for attracting greenfield FDI and expanding existing operations is positive.

Strategic Context

NSBI's business development efforts in 2022-23 will be focused on delivering results in the following key areas:



1. Drive Digital Adoption

Ensure Nova Scotia companies are digitally enabled and maximizing e-commerce solutions to grow sales outside of our province.

2. Drive Market Diversification

Provide evidence-based market intelligence and leverage NSBI networks and partnerships to help businesses make key in-market connections.

3. Build Confidence and Capacity

Help Nova Scotia businesses break down barriers and build their capacity to grow through export.

4. Navigate

Serve as the critical first point of contact for Nova Scotia businesses, identify and navigate them to the programs and services they need to start or grow their businesses.

5. Encourage Scale

Work with companies one-on-one to make capital investments, improve business processes, and build resiliency.

6. Broaden the Reach and Inclusiveness of Export Success

Ensure every Nova Scotian sees themselves in Nova Scotia's export success and build the partnerships to drive inclusive workforce attachment across the province.

7. Create New Jobs in all Regions

Attract and grow NS businesses to create jobs in all regions that drive population growth.

8. Sustainable Economic Growth Through Innovation

Encourage innovative, sustainable and green businesses to grow and relocate to the province.

9. Innovate for the Future of Export

Create R&D partnerships between industry and Nova Scotia's world-class post-secondary institutions and support private sector investments in innovation.

NSBI's Role and Focus for 2022-23

This business plan outlines how NSBI will support government's priorities, including selected action items in the Minister of Economic Development's mandate letter.

Growth Through Export Creating More and Better Jobs Across Our Province

"For the economy to recover fully, Canada needs to continue to expand the types of things we export and find more markets for the goods and services we want to sell."¹

NSBI recognizes the crucial role that export will play in Nova Scotia's continued recovery from the COVID-19 pandemic. Our export growth efforts will be a critical support to the Minister of Economic Development's mandate to grow innovation-driven, green and sustainable businesses in Nova Scotia. Our work with companies across the province to build capacity, scale, and grow through the sale of products and services outside of our borders will drive business and economic growth, creating more and better jobs in all regions.

- NSBI's export growth and regional economic development efforts are rooted with our Regional Business Development Team, who serve as the critical first point of contact for companies in almost every sector of the economy and in every part of the province. We will continue to expand our reach and our Regional Business Development Advisors will work with over 1500 companies in all regions, providing advisory and navigation services to connect companies with the programs and resources they need to grow, both here at home and outside of our borders.
- Our Export Capacity Building Team will deliver webinars, virtual training, education, and international business skill building workshops to ensure Nova Scotia companies are prepared and have the skills to sell their products and services outside our province. NSBI's pivot to virtual training and education delivery will continue to ensure that businesses in all regions are able to access our skill development programming.
- Our key partnership with the Halifax Chamber of Commerce to deliver the Trade Accelerator Program (TAP) will take cohorts of companies through an export education program where they will build the skills, plans, and assets to accelerate their export growth.
- NSBI's Trade Market Intelligence Service will provide companies with the market research they need to make the best decisions on which markets to pursue, including intelligence on required certifications, regulations, competitors, pricing, and logistics.

¹ <https://www.bankofcanada.ca/2020/12/strengthening-our-exports/> and <https://www.bankofcanada.ca/2020/12/trading-sustainable-recovery/>

- Our Export Development Program will provide funding to Nova Scotia companies in three key areas to assist them in keeping pace with the digital technologies required to be successful in the post-pandemic business environment, accessing the expert advice they need to overcome obstacles, and in making key connections to compete in global markets. Our Export Development Program will provide funding to:
 1. Adopt digital technologies to enable remote working, improve productivity, and create or improve e-commerce solutions to grow sales outside the province.
 2. Mitigate the costs of connecting with current and potential clients, partners, and investors in global export markets (including participation in virtual events and conferences).
 3. Engage with an external expert to address challenges or barriers standing in the way of export growth, including addressing skills or knowledge gaps within senior leadership teams.
- NSBI will work side by side with our clients to implement targeted incoming and outgoing trade missions (including virtual) to ensure Nova Scotia companies reach and make inroads in key markets, even in times of restricted travel.
- Our network of Scotians Advisors will build on this work, serving as an in-market presence, making connections, and advising Nova Scotia companies on business conditions in markets of interest.
- NSBI's US-based Scale-Up Hubs in Cambridge and Atlanta and Market Development Programs in Europe and Asia will continue to give Nova Scotia companies a foothold in international markets as well as access to resident experts to help them grow.
- Our Digital Market Asset Development Program will provide funding to our clients in key sectors of our economy to build and promote the digital marketing assets they need to sell their products and services in our new digital business reality.

“NSBI will work side by side with our clients to implement targeted incoming and outgoing trade missions (including virtual) to ensure Nova Scotia companies reach and make inroads in key markets.”

- NSBI's own international partnership outreach will create awareness of Nova Scotia companies in global markets and pave the way for export success. NSBI will build the relationships necessary to ensure our clients are able to leverage opportunities brought about 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).
- NSBI's partnership with the Regional Enterprise Networks (RENs) will be key to our regional economic development work, and we will collaborate on plans and strategies to grow exporting businesses in all communities.
- We will look for new ways to tailor and target our programs and services to ensure representative distribution to companies in all regions of the province, ensuring economic growth across Nova Scotia.

“Our CEO and Executive outreach to business leaders and entrepreneurs across the province will continue to gather feedback on obstacles and opportunities.”

- Our CEO and Executive outreach to business leaders and entrepreneurs across the province will continue to gather feedback on obstacles and opportunities, and our programming and services will be designed and delivered to be reflective of the needs of companies in all regions.
- Our Atlantic and Federal government partners play a significant role in our success and NSBI will continue to lead Nova Scotia’s participation in the \$20 million Atlantic Trade and Investment Growth Strategy (ATIGS) to drive key initiatives to support our firms to innovate and achieve international growth.
- NSBI’s investment attraction efforts will identify, target, and attract innovative exporters in key sectors to establish a location in our province, providing a unique opportunity for Nova Scotia companies to attach to global value chains and further their growth.
- We will research, design and develop strategies and plans to connect domestic Nova Scotia companies with international firms in our province to strengthen local supply chains and increase the resilience of key sectors.

Sustainable Economic Growth Through Innovation

Nova Scotia businesses will need to invest, innovate, improve productivity and maintain a focus on sustainability to remain globally competitive in the current turbulent economic environment. NSBI will work with our partners in all regions to drive the Minister of Economic Development’s mandate to actively encourage innovative, sustainable and green businesses to establish or relocate to the province. We will deliver programs and initiatives that attract innovative businesses to our province and support Nova Scotia companies to invest, connect with R&D expertise, and keep pace with business advancements.

- NSBI’s key regional economic development initiative, the Innovation Rebate Program, will drive private sector investment in all regions of the province by funding projects that help companies increase innovation capacity, drive sustainability and adopt new technologies and business processes.
- NSBI’s data mining and evidence-based lead generation efforts will identify key international businesses in sectors of focus with sustainability as a pillar of their business and that are aligned with Nova Scotia’s comparative advantages. We will implement our “Team Nova Scotia” approach to target and attract these innovative, environmentally-focused exporters to our province, creating high-value jobs in all regions and connecting our domestic companies to global value chains.

- Our ongoing work with partners to support and drive transformational economic development initiatives across the province will be targeted to enable leading-edge sector collaboration and large-scale private sector investment.
- We will strengthen our efforts with our Crown Corporation and regional economic development partners and look for new ways to collaborate with the Regional Enterprise Networks (RENs) to ensure all regions of the province benefit from our investment attraction work.
- NSBI will continue the management of our real estate holdings in regions across the province and pursue long term strategic plans to maximize the economic development outcomes from key assets, such as the Port of Sheet Harbour. We will expand our certified sites initiative to drive industrial development and investment attraction across the province.
- Our Productivity and Innovation Voucher Program will create and strengthen research and development ties between businesses and Nova Scotia’s universities and community college campuses across the province. This program will fund businesses to access expertise within Nova Scotia’s post-secondary education institutions to Improve productivity, develop new products, services or processes, and create growth.
- NSBI will further support Nova Scotia companies to access R&D expertise and overcome obstacles through our expanded partnership with Mitacs. This key partnership will reduce the cost for a business to access collaborative R&D teams from post-secondary institutes to complete a research project aimed at solving a unique business challenge.
- We will continue our leadership to grow Nova Scotia’s ocean economy with our Crown Corporation colleagues and partners such as the Centre for Ocean Ventures & Entrepreneurship (COVE), the Oceans Supercluster, and the Ocean Frontier Institute (OFI), and our Sector Specialists in ICT, Agrifood & Beverage, Seafood, CleanTech and Life Sciences will drive export and investment attraction with our Government colleagues, academia and the private sector.

“NSBI is also aligned with our Government’s commitment to ensure that our work is reflective of the modern societal makeup of Nova Scotia, inclusive and respectful of all demographic, cultural and ethnic diversities.”

Delivering on Nova Scotia’s Population Growth and Inclusivity Agenda

The Province of Nova Scotia has an aggressive growth agenda to double Nova Scotia’s population to two million people by 2060. NSBI’s business development efforts to grow businesses and create new jobs that attract people to work and live in our province are directly aligned, and we look forward to continuing our work with the Department of Labour, Skills and Immigration and other partners to create high-value jobs that will attract new Nova Scotians. NSBI is also aligned with our Government’s commitment to ensure that our work is reflective of the modern societal makeup of Nova Scotia, inclusive and respectful of all demographic, cultural and ethnic diversities to advance our collective growth and prosperity. We will deliver on the Province’s population and inclusivity agenda in the following ways:

“We will continue our inclusive workforce strategies to make key connections between industry and organizations focused on the attachment of under-represented.”

- NSBI’s payroll rebate will play a key role in our province’s immigration and population growth mandate by attracting new companies that create high-value jobs in key sectors and attract new residents to come and graduates to stay in our province. We will also ensure that the companies we target are diversity-focused employers and contribute to Nova Scotia’s inclusive workforce development efforts.
- Contributing to economic inclusivity will involve key partnerships within our province, and NSBI’s continued relationship with organizations such as the Black Business Initiative will help to build the Black business community in Nova Scotia.
- We will continue our inclusive workforce strategies to make key connections between industry and organizations focused on the attachment of under-represented that will lead to more people from under-represented groups getting jobs across the province.
- NSBI will continue and refine our efforts to design and deliver tailored programming to businesses that are 51%+ owned, managed, and controlled by Aboriginal and/or Indigenous Peoples, Persons with Disabilities, LGBT+, Veterans, Visible Minorities, or Women to ensure that these companies are connected to procurement opportunities and poised for growth. As these companies grow in all regions, our diverse business community and workforce will grow with them.
- Our international marketing and promotional efforts will tell the story of our province, highlight our unique ocean lifestyle, and promote our international business success to position Nova Scotia as a top jurisdiction in which to live and work. Our sustainable economic success is reliant on our ability to attract and build a diverse workforce and NSBI will focus on selling Nova Scotia to the world and the world on doing business in Nova Scotia.

Performance Measures

Measures

Grow the value of Nova Scotia's exports

Create Nova Scotia's next exporters

Diversify into new export markets

Encourage innovative, sustainable and green businesses to establish or relocate to the province

Create new, high-value jobs to drive population growth

Grow payroll across the province

2022 - 2023 Targets

We will continue recovery with the goal of achieving a minimum of a 15% increase in export sales among NSBI's clients, and by clients* within the high potential clusters of ICT, Oceans, and Seafood & Agri-food

A minimum of 30 NSBI clients will become new exporters, with a minimum of 10 clients within the high potential clusters of ICT, Oceans, and Seafood & Agri-food becoming new exporters

Helping companies overcome travel complications as they work to grow sales in new markets, NSBI will ensure a minimum of 20% of our clients diversify exports through sales to an additional market

Attract 5 innovative exporters aligned with Nova Scotia's comparative advantages

NSBI's clients will create 1400 new, high-value jobs across Nova Scotia

Continuing to emerge from the COVID-19 pandemic, NSBI clients will increase their payroll by a minimum of 10%

*An NSBI client is defined as a Nova Scotia company that accesses an NSBI program or service in 2022-23.

Budget Context

2022-23

	Budget 2021-22	Forecast 2021-22	Estimate 2022-23
Revenues			
Provincial Grants	44,059,000	39,387,800	44,766,000
NSBF: Loans & Properties	1,249,800	1,320,600	1,153,400
Miscellaneous Revenue	1,373,400	1,701,000	1,430,300
Total	46,682,200	42,409,400	47,349,700
Expenses			
Operating	14,932,400	15,190,700	14,963,300
Payroll Rebates	11,000,000	10,580,000	14,730,000
IRP	10,000,000	6,700,000	12,000,000
EDP	3,500,000	4,500,000	2,500,000
PIVP	1,000,000	1,000,000	1,000,000
SME IRP	2,000,000	1,950,000	0
FIRP	2,000,000	0	0
NSBF: Loans & Properties	791,200	842,300	839,300
Provision for credit losses	1,000,000	(171,000)	500,000
Total	46,223,600	40,592,000	46,532,600
Surplus before depreciation	458,600	1,817,400	817,100
Depreciation	44,100	92,400	168,000
Surplus after depreciation	414,500	1,725,000	649,100

Appendix A: Governance

Corporate Governance

Role and membership list of the Board of Directors:

novascotiabusiness.com/about/directors

Board Committees and Members:

novascotiabusiness.com/about/directors

Names and job titles of senior management:

novascotiabusiness.com/about/team

Organizational Overview

Enabling Statute:

novascotiabusiness.com/sites/default/files/ACT-Nova-Scotia-Business-Inc.pdf

Appendix B:

Strategic Investment Funds (SIF)

The Payroll Rebate Program is the only business development incentive funded by strategic investment funds (SIF) in fiscal 2022-23.

STRATEGIC INVESTMENT FUNDS PURSUANT TO NSBI REGULATIONS POLICIES AND GUIDELINES/PROCEDURES, NSBI 2022-23 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. Includes, where appropriate, the opportunity to target further incentives to key groups such as New Residents, New Graduates, Underrepresented Groups etc.

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 and any federal emergency assistance that incents or subsidizes payroll or wages 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, and 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;
- Applicable export, investment and capital project details (if applicable);
- Confirmation of existing Nova Scotia FTEs and payroll prior to the project commencement ; and
- 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 C:

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 portfolio currently has approximately \$33.8 million outstanding to 15 companies located throughout the province. The Nova Scotia Business Fund has not issued any new business development incentives since fiscal 2014-2015. The annual portfolio lending cap is set at \$100,000 for fiscal 2022-2023 solely for the purposes of realization costs.

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 lending limits are determined based on portfolio targets versus specific dollar amounts:
 - traditional: 16%
 - knowledge based (information and communications technology and life sciences): 20%
 - manufacturing: 45%
 - energy: 9%
 - ocean technology: 5%
 - other: 5%
- Maximum loan and guarantee limit is \$15 million 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).