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**Atlantic Canada Cleantech Scale-up and Investment Challenge Additional Application Questions**

In addition to the Pitch Deck, please also provide us with the information pertaining to the questions found in this document, Atlantic Canada Cleantech Scale-up and Investment Challenge Additional Information.

**NB:** Please do not provide confidential information.

This document is to be submitted at the same time as your Pitch Deck to cschallenge@imaginalventures.com.

# **Additional Questions**

## **Company information**

Company Name:

1. Is your company incorporated?
	* Date of incorporation
	* Business Number as registered with the Canada Revenue Agency

1. Complete mailing address:
2. Primary contact name:
3. Primary contact email:
4. Primary contact phone number:
5. Company website:
6. How did you hear about us?
	* Foresight Canada
	* Imaginal Ventures
	* Spring Activator
	* IRAP
	* ACOA
	* Other
7. Have you participated in an Incubator or Accelerator program? If so, please provide the name(s).

Please advise of the following:

* I confirm my company is able to share, if asked, a complete corporate record history
* I confirm my company is a Private Issuer according to Canadian securities laws (check with your lawyer if you are not sure). IMPORTANT: Please note, if you are the winner of the Challenge, you will need to make sure you are still a Private Issuer when the Special Purpose Vehicle is set up for the investment at the time of the Challenge.

We will be in touch with you at the beginning of April, at the latest, to advise you of the outcome of your application.

Please be aware, that should we require clarification about any of the information contained in your application, we will arrange a brief virtual call to discuss.

Once again, thank you for applying for the Challenge.

**Some Important Information Relating to the Investor phase of the project (Sep-Nov)**

**How the Investment is Made**

The IIC is unique in that it offers all investors the ability to invest via a Special Purpose Vehicle (SPV). This is a company that is created for the sole purpose of the IIC investment. The investors become shareholders in that company, and the investment gets passed through to the winning (or “target”) company. The Spring team and its lawyers will create this company during weeks 5-6 of the program, so that it is fully funded and ready to go when the winner is chosen.

**Investment terms**

The companies are free to set the investment terms according to the strategic needs of the company. Most commonly, these are in the form of equity, convertible debt, or SAFEs (simple agreement for future equity). We also encourage companies to consider ‘alternate’ structures like Revenue-backed Financing ([see link for a good description from Bigfoot Capital](https://www.bigfootcap.com/revenue-based-financing/)). You are only required to mention the high-level terms in your initial pitch to investors. Detailed terms are then required for the 5 finalists.

Many companies enter the Challenge with investment rounds already underway. In this case, your terms are most likely already set. Simply provide the investors with a summary of the terms and a copy of the paperwork. Other companies are using the Challenge to launch their rounds. In this case, you will need to propose terms and potentially negotiate them over the course of the program. You will want to have your own advisor and/or lawyer available to support you.

**Fees & Amounts Withheld**

Facilitating the investment process and investment vehicle come with costs, which are incorporated into the fee structure of the program to allow companies to gain access to capital. Through the investment, the following applies:

* Spring will invoice a 3% “program fee” to the companies who receive investments from the investor program participants, program alumni, or Spring Investing Collective members. This is an administrative fee.
* The SPV withholds $5,000 from the total investment paid in by investors. This is effectively money set aside by the investors to cover the legal and administrative costs of *maintaining* the SPV over time. For example, if the investors pay-in $150,000 into the SPV, $145,000 is then invested in the winning company and $5,000 is retained to cover annual costs.