



REFERENCE GUIDE

SUBMITTING A FINANCING REQUEST

*****IMPORTANT***** All forms submitted other than through the website shall not be assessed.

This guide provides useful information for the purposes of properly filling out the Submitting a Financing Request form. If you have any questions, please contact us by emailing at info@fondsinnovexport.com or phoning 418-380-5514.

It is important that you answer all questions in the form. Incomplete forms shall not be assessed and you will receive notice to complete missing information. Your answers shall remain confidential and will allow the Fonds Innovexport team to determine the eligibility of your project and our interest in further assessment for eventual financing. You will receive a response throughout the week following the submission deadline as to whether your project has been shortlisted. In such a case, you will be invited to meet the Management team, usually on the Thursday of the following week.



1. GENERAL INFORMATION

*****IMPORTANT***** When using the **Save & Resume** function, files uploaded **will NOT** be saved until the form is submitted. Also, please note that you have a limited number of characters (not words) to answer most questions. The limit is indicated in the bottom right corner of the answer box.

1.1 Name and description of Business

F *The enterprise must be duly incorporated. Include the enterprise's full name as registered at the Registre des entreprises du Québec (Quebec Business Registry): www.registreentreprises.gouv.qc.ca*

F *The short description should include a summary of the sector of activity, the product and the mission. One or two lines that best describe your enterprise.*

1.2 Head Office Address

F *Include the address of the enterprise's head office.*

F *To be eligible, your enterprise must maintain its principal place of business or head office within the Province of Quebec or agree to meet either criterion prior to finalizing Fonds Innovexport's investment.*

1.3 Quebec Enterprise Number (NEQ) and Incorporation Date

F *Include the NEQ and date of incorporation of the enterprise as it appears at the Registre des entreprises du Québec: www.registreentreprises.gouv.qc.ca*

F *The NEQ is a number identification code comprised of ten digits attributed to each enterprise matriculated under the Registre de entreprise. It facilitates identifying enterprises with business partners and public organizations.*

1.4 Website

F *Include the address of your website. If you do not have a website, write "None".*

1.5 Founder and Management Team

F *Include the Name, Title, Email and the number of hours dedicated to your project by the founders and team members of your enterprise. For each, summarize their main personal and professional achievements. Do not forget to attach CVs or biographies and identify who the contact person is for the Fonds Innovexport.*

F *Note: The Fonds Innovexport supports entrepreneurs who distinguish themselves through their personal and professional achievements and who want to dedicate themselves full time to developing their enterprise and know how to surround themselves with competent people. You might not yet have accomplished significant professional achievements. In such a case, tell us about you.*

F *Form: Please provide information for one team member at a time, and then click on "Add Founder/Director".*

Founder/Director 1

Name	Title	Email	Hours/Week
------	-------	-------	------------

Main Personal and Professional Achievements

* *Attach your CV*

+ Add Founder/Director (as needed)

1.6 Number of employees of your enterprise at time of submission: _____

F *State the number of employees working for your enterprise at the time of submitting this request.*

1.7 If you do not yet sell your product or service, in how many months do you expect to complete your first sale?

F *Estimate the number of months required to complete the first sale of your product or service. If you are already at this stage, write "In progress".*

2. VALIDATION OF ADMISSABILITY CRITERIA OF THE FONDS INNOVEXPORT

The Fonds Innovexport has established an investment policy based on its mission of supporting seeding and start-ups of innovative Quebec-based enterprises that develop products or services intended for export. This section consists of determining the eligibility of your project for eventual financing from the Fonds Innovexport.

2.1 The enterprise is a private business.

F Select yes if your enterprise is a private corporation.

F To be eligible, your enterprise must be a private corporation at the moment it receives the first financing from the Fonds Innovexport. Public corporations and not-for-profit organizations are not eligible for Fonds Innovexport financing.

2.2 The enterprise is at the seeding stage according to the definition provided in the guide.

or

The enterprise is at the start-up stage according to the definition provided in the guide.

F Check the development stage of your enterprise (Check only one stage: Seeding or Start-up). To be eligible, your enterprise must be at either one of these stages.

F Here follows the definitions the Fonds Innovexport has established for each development stage:

Seeding signifies the first phase of the founding stage of an enterprise. In the innovation chain, this stage follows the submission of a patent, as the case may be, as well as the validation stage of the concept with certain potential clients. Financing at the seeding stage is intended for research, evaluation and development of an initial concept.

Start-up signifies an enterprise at the development stage in the process of establishing commercial activities without generating significant revenues or profits and requires financing to develop and market a product.

2.3 Sector of activity of your enterprise: _____

F Describe the sector of activity in which your enterprise operates.

F The Fonds Innovexport can invest in an enterprise operating in any sector except the following (excluded or ineligible sectors):

- Farming businesses (farming technologies are eligible)
- Mining operations and exploration (both mining operation and exploration technologies or services are eligible)
- Biotechnology (development of pharmaceutical or therapeutic products)
- Construction projects and purchase or management of real estate
- Brick and mortar retail sales such as shops
- Businesses involving sexual, religious, political and similar activities

- Companies with legal, environmental, ethical or governance issues
- Any project of a company that already has the required financial resources

Should your enterprise fall into one of these ineligible categories, your project shall be deemed ineligible by the Fonds Innovexport team.

2.4 The enterprise is accompanied by*:

- An incubator or accelerator, state the name and contact person:

Name of Incubator/Accelerator	Contact Person	Email
-------------------------------	----------------	-------

*Attach recommendation letter from the incubator/accelerator.

- Another organization, state the name and contact person:

Name of organization	Contact Person	Email
----------------------	----------------	-------

*Attach recommendation letter from the organization.

- A Support Committee or Board of Directors:

Member 1

Name	Pertinent Experience	Email
------	----------------------	-------

*Attach biography and recommendation letter

+ Add Supplementary Member (as needed)

F Click what is pertinent to your enterprise; you may click more than one. For example, you can be incubated and have a support committee (group of mentors). Provide the name of the contact person for each checked organization.

F Do not forget to attach a recommendation letter from each organization as well. The letter should include information about the type and degree of involvement of that organization.

F To be eligible, the enterprise must be supported by an incubator, an accelerator or by people who have had international success in the technological or commercial sector, or any other support structure deemed as equivalent by the Fond Innovexport team.

2.5 The main product or service is innovative.

F To be eligible, your main product or service must be perceived as innovative. The Fonds Innovexport references the definition established by the Oslo Manual¹ to identify the four categories of innovation sought:

1. **Product Innovation** – The introduction of a new good or service. This definition includes sensible improvements to technical specifications, components and material, integrated software, user-friendliness or other functions and features.
2. **Process Innovation** – The implementation of a new or sensibly improved production or distribution method. This notion involves significant changes in technique, material and/or software.

¹ Oslo Manual: Guidelines for Collecting and Interpreting Innovation Data, 3rd Edition, OECD Publishing, Paris, 2005, 184 pages.

3. **Marketing Innovation** – The implementation of a new marketing method involving significant changes to product design or packaging, as well as placement, promotion or pricing.
4. **Organizational Innovation** – The implementation of a new organizational process method, workplace layout or external relations of a business.

F If your product or service qualifies according to at least one of the four innovation categories outlined in this guide, identify your product or service as innovative by clicking the appropriate box.

2.6 **The main product or service exhibits strong export potential.**

F To be eligible, your main product or service must exhibit potential for international marketing and expansion abroad (outside of Canada). More precisely, you might not have made any international sales, but in this case it is important that you have at least summarily studied the international sales potential of your product or service and concluded that significant potential exists if you click on this box. The Fonds Innovexport invests in exportable projects that internationally feature the know-how and creativity of Quebec businesses.

2.7 **Check, as the case may be, the institutions or individuals who are currently shareholders or investors, directly or indirectly, in your enterprise:**

- Investissement Québec
- Caisse de Dépôt et de Placement du Québec
- Fonds de solidarité FTQ
- Fondation CSN
- Desjardins-Innovatech
- Pierre-Hugues Allard
- Jean Bélanger
- Richard Bordeleau
- Charles Boulanger
- Jacques Côté
- Christian De Grâce
- Noël Dubé
- Luc Dupont
- Lisa Fecteau
- Jean-Yves Germain
- Jean-François Grenon
- Guy Laganière
- Germain Lamonde
- Martin Lamontagne
- Serge Lavergne
- Geneviève Marcon
- Charles Mony
- Jelena Neylan
- Martin Roberge
- Jean-Marc Rousseau
- Jean-Luc Sansregret
- Martin Thériault
- Jacques Topping
- France Vincent

- Maxime Vincent
- None

F *Check the institutions or individuals that are shareholders or investors in your enterprise. You may check more than one box. If none of the corporations or individuals is a shareholder or investor, check “None”.*

F *These institutions and individuals are sponsors of the Fonds Innovexport and it is important for us to be aware of whether they already hold shares or have invested, such that we adequately manage potential conflicts of interest. You can be financed by the Fonds Innovexport even if two of the above are already partners. We just have to follow a particular internal procedure in such circumstances.*

- 2.8** **I hereby confirm that there are currently no significant legal, environmental, ethical or governance issues at the entrepreneurial, management or enterprise level and that no key director has been found guilty of a crime or is the object of penal sanctions resulting from the violation of securities law.**

F *To be eligible, your enterprise and its directors must confirm this statement. The Fonds Innovexport is seeking simple corporate structures conducive to investment. If we proceed with investing in your enterprise, it is possible that we ask to check your credit history and background.*

3. YOUR BUSINESS PROJECT

- 3.1 Describe how your product or service is innovative and/or your business model distinguishes itself from the competition. (approximately 200 words)
- 3.2 Describe the current development stage of your product or service and your business plan for protecting your intellectual property rights, regulatory matters, required permits and certificates, etc. (approximately 200 words)
- 3.3 Describe the international commercial potential of your product or service (global market, target market, competition, clients, etc.), your marketing strategy and your business development plan. (approximately 350 words)

F Questions 3.1 to 3.3 provide your enterprise with a unique opportunity to convince the Fonds Innovexport to select your project. You have approximately two pages (750 words) to summarize the essentials of your business plan.

F The Fonds Innovexport bases its analysis on different criteria, namely the innovative aspect of your product or service, your technological development plan, your knowledge of the marketing stakes and international competition, and finally the realism and feasibility of your marketing plan. The Fonds Innovexport supports projects that offer innovative products or services to resolve both local and international issues. Meeting a market need and doing so more efficiently than others, that is what you must target.

- 3.4 Explain how the main product or service that your enterprise offers or is developing distinguishes itself from competing products or services by rating from 1 to 5 (1 being inferior and 5 superior) for three main attributes sought by clients.

F Determine the main **attributes sought by clients** for your product or service and compare this to the competition. Also, replace the word “attribute” with a word that best describes this attribute according to you. You must communicate to us a minimum of three distinctive attributes, up to a maximum of six.

F Form: You can add the fourth to sixth attributes by clicking on “Add an attribute” in the form.

F A new product or service must position itself favourably in an evolving market. Good knowledge of the important advantages sought out by your clients and a realistic understanding of the competition is essential for your enterprise to position itself strategically in the market. Examples of attributes include: pricing, shelf life or lifespan, performance improvements, sturdiness, design, ease of use, etc.

Attribute 1

Description of Attribute 1 Valued by Clients

Attribute 2

Description of Attribute 2 Valued by Clients

Attribute 3

Description of Attribute 3 Valued by Clients

	One-Word Summary of Attribute 1	...Attribute 2	...Attribute 3
Competition A	Choose 1 to 5		
Competition B			
Competition C			
Competition D			
Competition E			

+ Add attributes (Identical to previous section)

3.5 Identify the main targeted clients.

Main Targeted Clients	Date of first contact, as the case may be	Sales concluded to date, as the case may be	Comments
Client A			
Client B			
Client C			
Client D			
Client E			

+ Add clients (as needed, maximum of 10)

F Identify your main clients and the actions carried out in prospecting or serving them. If you are at the seeding stage, it is possible that you have not yet contacted many clients, but it is essential that you have discussed with some to confirm the value they perceive in the distinctive attributes of your product or service.

3.6 Describe the most important development milestones you must achieve to increase the value of your enterprise for the 24 months following receipt of financing and the required resources for success. Start with the most important according to you.

F A *development milestone* is a key stage or action that increases the value of your enterprise. For example: filing a patent; completing a first prototype; hiring a key person, signing a license, concluding your first sale, etc.

F Identify the target development milestones for the next 24 months and the amounts required to achieve these. You must identify **at least two milestones**, up to a maximum of five.

- F *The Fonds Innovexport invests in projects that present structured and realistic business plans which include clear development milestones for which human resource, material and financial needs are well defined.*

Development Milestone 1

Description of Milestone (approximately 30 words)

One-Word Summary of Milestone

Target Month (drop-down menu 1 to 24)

Which resources do you require with corresponding amounts?

Required Resource (Drop-down menu including: Marketing Costs, R&D Costs, Production Costs, HR & Administration Fees, Other Expenses)	Corresponding \$\$\$
-----------------------------------------------------------------------------------------------------------------------------------------	----------------------

+ Add a resource category

Development Milestone 2 (Identical to previous section)

+ Add milestones (add as needed, identical to previous section. Maximum 5 milestones)

3.7 Identify the main risks associated to your business project and explain how you intend to manage said risks.

- F *All enterprises involve risks. Identify at least three risks to which your enterprise is exposed. These include strategic, operational, financial, environmental and technological risks, as well as regulatory adherence, etc. Examples include: full scale-up of processes; recruiting qualified human resources; fierce competition; acquiring financing in the next round; liquidity disruption; international regulations; significant fluctuations in exchange rates; cybersecurity and data protection; political instability in the country of your target market; etc.*
- F *After identifying your three risks, describe the measures and procedures you plan on implementing to mitigate these. Remember that you cannot eliminate all risk, but the manner you adopt to mitigate these increases your probability of success.*

Risk 1

Description of risk (approx. 150 words)	Means to reduce/manage risk (approx. 150 words)
-----------------------------------------	-------------------------------------------------

Risk 2

Description of risk (approx. 150 words)	Means to reduce/manage risk (approx. 150 words)
-----------------------------------------	-------------------------------------------------

Risk 3

Description of risk (approx. 150 words)	Means to reduce/manage risk (approx. 150 words)
-----------------------------------------	-------------------------------------------------

+ Add risks (as needed, maximum 6)

4. FINANCING SOUGHT FOR THIS ROUND

4.1 Use of funds

- F** In the table below, summarize by category the purposes for which the funds obtained would serve if financing were granted.
- F** Add all the costs and expenses required to achieve the development milestones that you have identified in the previous section for which you wish to obtain financing in this round.

Marketing Costs	\$
R&D Costs	\$
Production Costs	\$
HR & Administration Fees	\$
Operating Funds	\$
Other (describe)	
GRAND TOTAL	\$

4.2 Sources of funds (dilutive financing)

- F** Summarize in the table above the sources of dilutive financing (in the form of equity or convertible debt)
- F** In the right-hand column, indicate the amount of financing requested from the Fonds Innovexport and what you seek from other investors you have contacted or wish to contact.
- F** For seeding enterprises, the Fonds Innovexport generally invests between \$50,000 and \$300,000 in the first round. For start-ups, the Fonds Innovexport generally invests between \$350,000 and \$1,000,000 per round.

<i>Dilutive Financing (equity or convertible debt)</i>	
The Fonds Innovexport	\$
Current Shareholders	\$
Contacted Investor 1 (provide the name)	\$
+ Contacted Investors (maximum 8)	\$
Sub-total	

4.3 Sources of funds (non-dilutive financing)

- F** Summarize in the table above the sources of non-dilutive financing (subsidies, loans, etc.).

<i>Non-Dilutive Financing (loan, credit, subsidy, etc.)</i>	
Corporate Revenues	\$
R&D Credits	\$
Other Financial Contribution 1 (source)	\$
+ Financial Contributions (maximum 5)	\$

Sub-total

4.4 This financing will permit the enterprise to attain its development milestone(s) for the next ____ months.

F *Indicate the number of months this financing will cover.*

4.5 Your estimation of the value of your enterprise prior to financing is established at _____.

F *Since financing from the Fonds Innovexport can be realized through equity or convertible debt, estimate the value of your enterprise prior to receiving this financing.*

4.6 Financial forecasts and cash budget for the period of this financing project.

F *Insert an Excel file that presents your monthly financial forecasts.*

F *Your financial forecasts will allow the Fonds Innovexport to assess both your financing request and development milestones.*

F *Your financial forecasts must include a monthly cash budget which states the cash on hand from the start, the sources of cash (sales, cash injections, down payment, receipt of R&D credits, etc.), the sources of expenses (marketing costs, R&D costs, production fees, human resource costs, reimbursement on capital and interest of your loans, operating funds, etc.) and finally the cash on hand at the end and for the entire term of the project.*

F *It is preferable that complete monthly financial forecasts be attached (balance sheet, income and cash flows statements). If you cannot provide these at this stage, the Fonds Innovexport will accept a monthly cash budget to qualify your project.*

5. FINANCIAL BACKGROUND OF THE ENTERPRISE

5.1 Financing History

- F** Provide the financing background of your project, from the most recent round to the least recent.
- F** The Fonds Innovexport is interested in your financial background and the partners who have contributed to the advancement of your project.
- F** In the “Form” column, include the type of investment received. For example: guaranteed or non-guaranteed loan; common share capital; preferred share capital; convertible or non-convertible debentures; bank note; subsidy; investment; or other refundable or non-refundable contributions.
- F** In the “Enterprise Value” column, state the value of your enterprise prior to each financing received if applicable.

Most Recent Financing Round

Date	Amount Received	Enterprise Value
------	-----------------	------------------

Name of Investing Partner	Amount Invested	Form
---------------------------	-----------------	------

+ Add a financing partner

+ Add another financing round (add as needed, identical to previous section)

5.2 Table of Current Shareholders

Name of Shareholder	Number of Shares	Share Category	% of Voting and Participating Shares on a Fully Diluted Basis*

*Fully diluted basis: % including all other sources of financing that could be converted into voting or participating shares or pursuant to the exercise of a right or another conversion right.

+ Add another shareholder

- F** Fill in the Current Shareholder table for your enterprise. Identify each shareholder, the number of shares held, the category of shares (common or preferred) and the % of voting and participating shares on the basis of fully diluted (% including all financing that can be converted into voting and participating shares or upon the exercise of an option and other conversion rights). It is important that the enterprise have a simple structure without complex categories of shares with different privileges or complex participatory forms.
- F** You can add a table of shareholders using Excel if you like. You must, nonetheless, fill in the table above, as requested by the Fonds Innovexport.

5.3 Financial Statements

- F** *Attach your annual financial statements from the last two years (if available) and your most recent interim financial statements or records. More precisely, we wish to determine how amounts received have been used thus far, the sales level, gross margins, level of debt, etc.*

6. DO YOU HAVE MORE INFORMATION TO SHARE WITH US?

- F** *Share with us more information that you deem pertinent.*