

MC² Market Readiness Call for Innovations Information Package

Program Overview

- 1.1 SkyDeck Global Innovation Partnership (GIP) Program
- 1.2 CABHI Investment
- 1.3 Innovation Themes
- 1.4 Application Process
- 1.5 Program Eligibility
- 1.6 Evaluation Criteria
- 1.7 Additional Rules and Obligations
- 1.8 Resources

IMPORTANT DATES

Program applications open	August 13, 2020
Online application submission deadline	September 7, 2020
Shortlisted applicants notified	September 14, 2020
Pitch Days	September 16-18, 2020
Due Diligence Days for invited shortlisted applicants	September 23-25, 2020
Selected applicants notified	October 5, 2020
Sign agreements	October 23, 2020
Program start date	October 26, 2020

- Are you an Ontario-based health technology company with a solution that can improve the lives of aging adults?
- Are you looking for world-class mentorship and investors in Silicon Valley to help you commercialize, scale, and grow internationally?
- Do you need capital to achieve a business milestone to raise your Seed or Series A?

[Apply now](#) to join us this October 2020 and participate in an exclusive accelerator program. The Centre for Aging + Brain Health Innovation's Mentorship, Capital and Continuation (MC²), in partnership with National Bank, presents **MC² Market Readiness**, a first-of-its-kind collaboration with Berkeley SkyDeck, a premier solution accelerator based in Berkeley, California.

1. PROGRAM OVERVIEW

The Centre for Aging + Brain Health Innovation (CABHI) recognizes that there is an early-stage funding gap for Ontario health technology companies. We also know that it can be harder to grow than your American peers, given the difficulty for Ontario companies in accessing Silicon Valley's ecosystem and raising competitive growth capital.

CABHI has heard your feedback and created MC² Market Readiness, a first-of-its-kind partnership with Berkeley SkyDeck (SkyDeck), a leading solution accelerator in Berkeley, California, through their Global Innovation Partnership (GIP) program.

In MC² Market Readiness, each participating company will receive tailored coaching and mentorship, direct access to the Silicon Valley ecosystem, and an investment of up to **\$150,000 CAD** to help you achieve a specific business milestone, so that you can be better positioned to raise your Seed or your Series A.

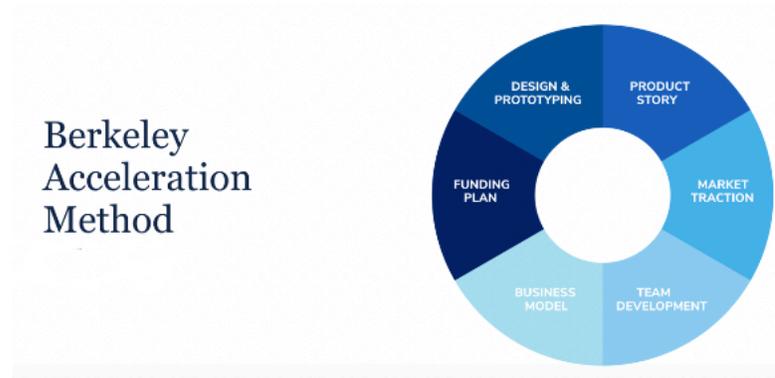
Unlike other solution accelerators, CABHI **does not charge** an administration fee to participate in MC² Market Readiness. So you can rest assured that the money we invest in you will go directly towards advancing your company.

1.1 SkyDeck Global Innovation Partnership (GIP) Program

Each selected company will virtually attend the SkyDeck GIP. This 6-month accelerator program will commence on October 26, 2020 and provide companies with:

- Access to [SkyDeck Advisors](#), a group of 250+ industry experts
- Education via the [Berkeley Acceleration Method](#), a proven startup curriculum with a goal to fully prepare start-ups to raise their first round of investment from Silicon Valley Venture Capitalists (VC)
- Tailored support to connect you to the Silicon Valley ecosystem
- Showcase event(s) with 100+ attendees, among which include investors, advisors, and mentors
- Upon company readiness, an opportunity to present at SkyDeck's 600+ attendee Demo Day

Why did we choose to partner with SkyDeck? Since its inception, SkyDeck companies have raised \$1.2 billion with 11 companies exiting through acquisition. To date, 2 out of 3 companies participating in the program have received follow-on funding.



1.2 CABHI Investment

Each participating company will receive up to \$150,000 CAD in investment from CABHI via an unsecured venture debt or Post-money SAFE agreement to help you achieve a business milestone over a 12-month period. You will work on this business milestone in parallel with your attendance in the SkyDeck GIP.

CABHI's investment will be released in tranches as aligned with your particular milestone(s).

As a founder-friendly solution accelerator, CABHI offers both unsecured venture debt and equity deals on more favourable terms, as we believe that founders need to be properly incentivized while remaining competitive within the global ecosystem. CABHI will work with each company to select the right funding option that makes sense from a cash flow or capitalization table perspective.

Unsecured Venture Debt Via Royalty:

- Eligibility: Early revenue is required
- Funding: Up to \$150K CAD (principal)
- Return: Principal plus a 30% return.
 - For example, if CABHI invests \$150,000 then \$195,000 is returned to CABHI by the royalty maturity date.
- Payment: 5% of gross revenue is paid to CABHI each quarter
- Royalty: Begins on start date
- Maturity: 3-year post start date
 - If royalty is not paid back during the term, a one-time balloon payment is made at royalty maturity

Equity Deal:

- Eligibility: All companies
- Funding: Up to \$150K CAD (investment)
- Instrument: Post-money SAFE
- Valuation Cap: ~\$5.3M CAD (\$4M USD)
- Discount: 20%

In addition to your CABHI investment, you will have access to a range of CABHI [acceleration services](#) to help reach your next company milestone faster. Acceleration services include business development, solution implementation and customer acquisition support, marketing, trial design, fundraising support, and end-user feedback, as well as access to our network of trial sites, strategic partners, and distribution channels.

Why CABHI?

Since its inception, CABHI has helped companies acquire customers, grow revenues (15-400%), expand sales pipelines, incorporate within new jurisdictions, and obtain follow-on investments (including Seed, Series A, and debentures). To date, CABHI innovators and companies have secured over ~\$110M CAD in follow-on investments and over 40% of CABHI companies have received follow-on funding.

Some of our notable global strategic partners include:



1.3 Innovation Themes

CABHI supports innovations that address challenges associated with aging adults. In 2020, CABHI is focusing on the following priority areas:

1. Aging in Place
2. Aging Indigenous and Rural Populations
3. Care Provider and Caregiver Support
4. Care Coordination and Navigation
5. Cognitive Health

For more information about CABHI's Innovation Themes, please [click here](#).

1.4 Application Process

1. Online applications: Applications are reviewed and scored by CABHI's review panel. Shortlisted companies are invited to participate in a virtual pitch meeting.
2. Pitch Day: Companies present to CABHI's Pitch Day judges. Companies that are selected to proceed here are invited to participate in the Due Diligence process.
3. Final Due Diligence Day and investment review: Selected companies from Pitch Day will attend a final Due Diligence Day meeting, at which companies will be required to submit additional information in advance for final review.
4. Selection and contracting: Following due diligence, CABHI will inform selected companies and proceed with contracting of their unsecured venture debt or a Post-money SAFE agreements prior to the start of the SkyDeck GIP in October.

1.5 Program Eligibility

- Applicant must be a registered Ontario-based company (or a Canadian company with headquarters in Ontario) that has a solution focused on the aging and brain health sector, or has a health solution that has an application to improve the lives of aging adults.
- Solutions must clearly address at least one of the five CABHI Innovation Themes.
- Company is at the seed stage and the solution is ready to be piloted and/or purchased.
- CABHI's funds must be used to help a company achieve a business milestone. Examples include:
 - Developing a marketing and sales plan for the product launch

- Growing a sales team and/or advertising services to increase annual recurring revenue
 - Demonstrating product-market fit (e.g., high renewal rates and low customer churn)
 - Alleviating working capital shortages to satisfy a sales contract
 - Hiring personnel to help with a regulatory or patent submission (e.g., FDA/Health Canada)
- CABHI's funds cannot be used for product development. Solution must be at a mature stage, ready for deployment in an operation setting.

1.6 Evaluation Criteria

All applications will be evaluated based on the following criteria:

1. **Company and team experience (30%):** Why are you and your employees uniquely qualified to be solving this problem/working on this solution? What is your demonstrated track record of success? Who else is helping you to be successful?
2. **Quality of solution (30%):** Why did you pick this idea to work on? How do you know people need what you're making? What standard of care/solutions are your customers using now to address this problem? What advantage(s) does your solution have over existing standards/products/ practices.
3. **Market opportunity/growth potential (20%):** What is the current size of the market and how big will it be in 5 to 10 years? Why did you prioritize this market? What is your business/service model and how will this get you customers? How do you make money?
4. **Competition/traction (20%):** What are the barriers that are challenging adoption of your solution? Who are your key competitors, both in terms of competing product categories and firms? Why will you win against them?

1.7 Additional Rules and Obligations

1. CABHI will not obtain any ownership rights to the intellectual property associated with the completion of your business milestone, but will have the right to disseminate the results of your business milestone.
2. CABHI reserves the right to select applications to maintain a balanced portfolio, which includes but is not limited to distribution of companies across its 2020 Innovation Themes, founder diversity, and investment deal type.
3. CABHI may terminate negotiations or invite an alternate applicant to engage in negotiations if a contract is not signed in a reasonable amount of time (to be determined exclusively by CABHI).
4. CABHI reserves the right to decline any application and to modify or annul this Call for Innovations at any time, without incurring any liability.
5. The company is required to sign a separate agreement with SkyDeck to participate in the GIP program (see agreement below).

1.8 Resources

- I. Eligible Expenses Guideline (Downloadable PDF on cabhi.com/mc2mr)
- II. Skydeck Program Agreement (Downloadable PDF on cabhi.com/mc2mr)
- III. Unsecured Venture Debt Royalty Agreement (Coming soon; to be posted at cabhi.com/mc2mr by August 31, 2020).
- IV. Modified Post-Money SAFE Agreement (Coming soon; to be posted at cabhi.com/mc2mr by August 31, 2020).
- V. This program information package for MC² Market Readiness 2020 Call for Innovations will be available in a French-language version (to be posted at cabhi.com/mc2mr by August 20, 2020).

For additional questions, please contact:
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