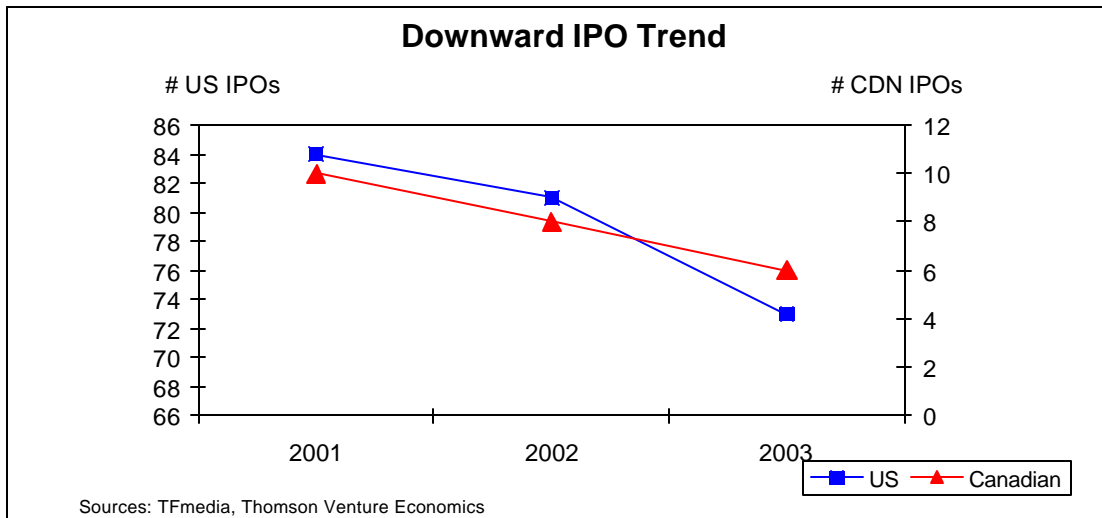


## Tech IPO Window Kept Shut Will 2004 be A Better Year?

Canadian tech IPO market remained dormant. In the span of three years, a grand total of 24 Canadian tech companies managed to complete initial public offerings. 4 of the 24 companies were VC-backed.

North of the border, during the same period, 237 companies (all sectors) have gone public, with 46 IPOs alone in the last quarter. Without the fourth quarter burst, 2003 would be a disaster year for the US, as only 27 companies had gone public in the first 3 quarters of 2003.

The overall market still trends downward and does not bode well for venture firms looking to exit or divest their portfolio companies. Will the recent upturn of public financings create demand for IPO issues? It is still early to tell and so far, one IPO has been completed and one is pending in 2004.



The recently completed Workbrain and the pending Guest-Tek IPOs are some encouraging news for the Canadian venture capital industry. Both offerings were reasonably priced with post-valuation to sales ratio of 5.5 and 6.2 respectively for Workbrain and Guest-Tek.

Some notable companies that filed but withdraw their offerings include Algorithmic Inc., Zero-Knowledge Systems, and Excel-Tek. Crystal Decisions pulled its filing in May 2003 and was acquired by Business Objects in December 2003.

Detailed summary of Canadian Tech IPOs can be found in our statistics section and detailed financial and investor information on each IPO is available to subscribers.