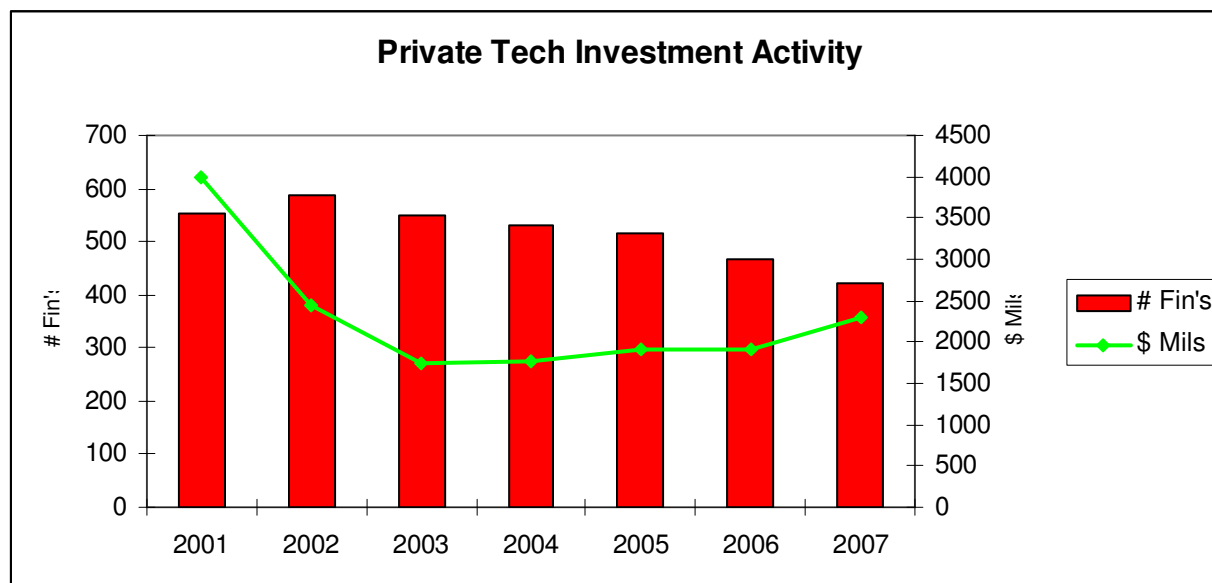


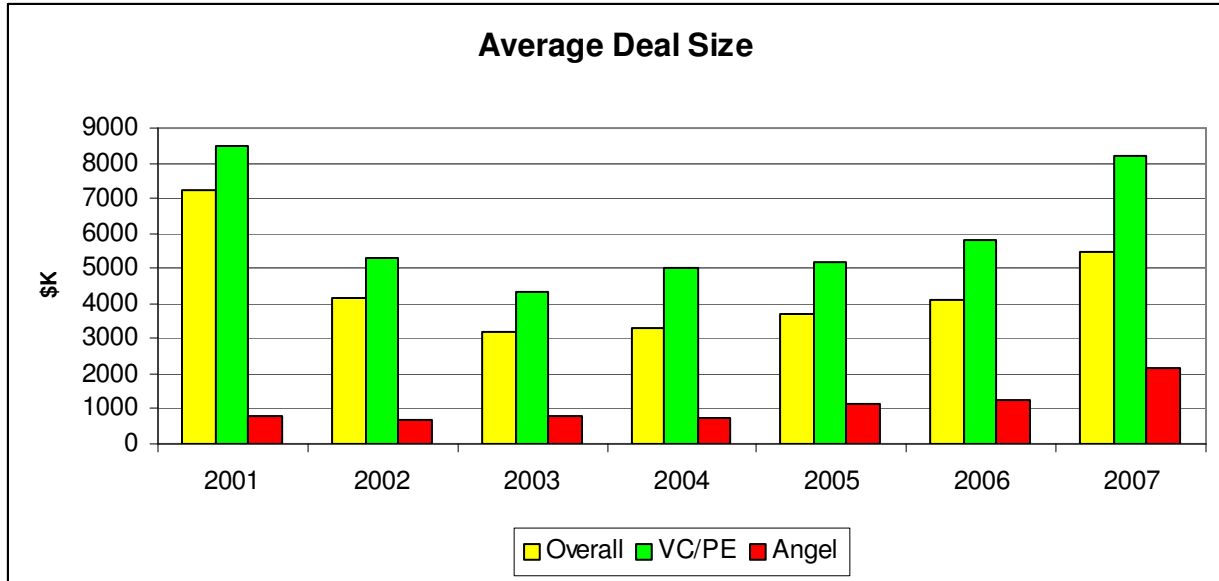
## Private Tech Financing Troubling Trend: Disbursements Up Deal Numbers Down

Canadian private technology investment activity has been exhibiting a worrisome trend since 2003. Disbursements have been gradually inching up while the total number of deals continuing its downward spiral unabated. 2007 continued the trend.

Total disbursements to private technology companies in 2007 topped \$2.3 billion, continuing to recover from its yearly low \$1.74 billion in 2003. 421 deals completed in 2007, comparing to 466 in 2006 and 588 in 2002 when the highest deal number was reached.



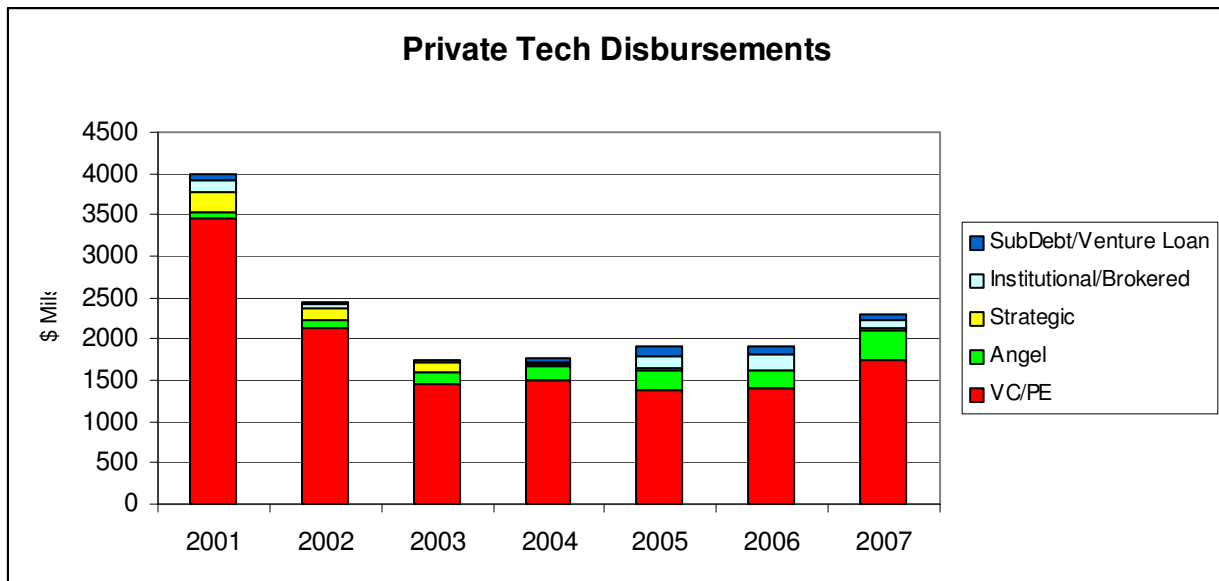
The opposite trend in investment activity translates to a funding environment that more larger deals are getting done and deal size is getting bigger while smaller deals are becoming increasingly scarce. The average deal size in 2007 was \$5.47 million up from \$3.17 million in 2003. The average VC/PE deal was \$8.2 million, up from \$5.8 million in 2006 and \$4.3 million in 2003. More troubling is that the average angel deal size has also increased dramatically, up from \$1.2 million in 2006 to \$2.2 million in 2007. Even with two largest solar deals excluded, the average angel deal size in 2007 was \$1.8 million, a 50% increase from that of 2006.



### Venture Deals Secure \$1.74 Billion While Angel Deals Tops at \$368 Million

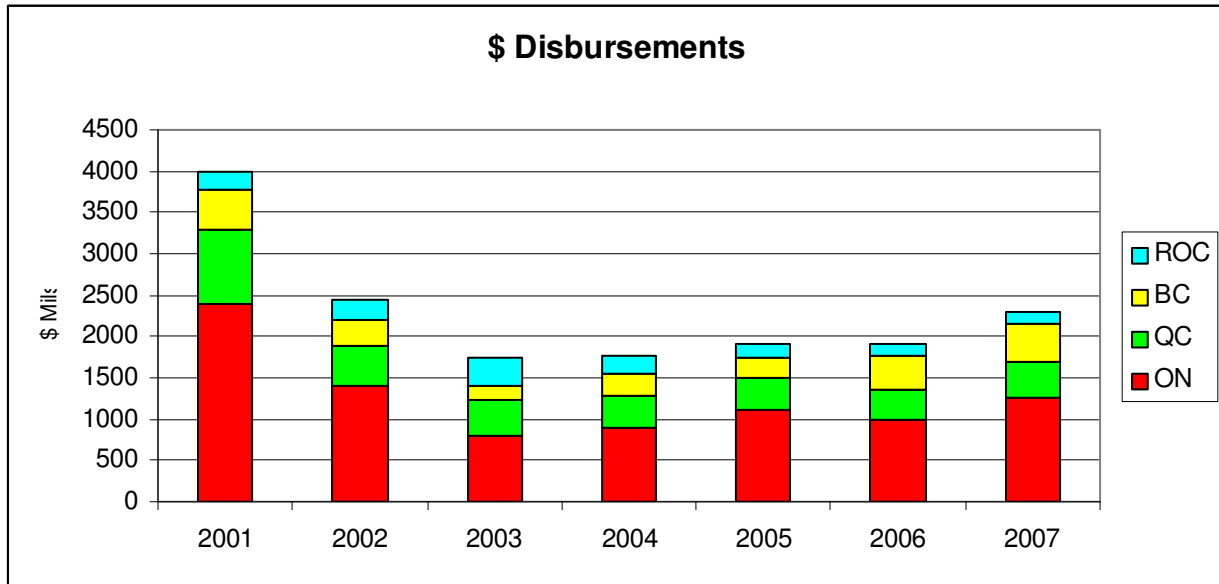
Of the total \$2.3 billion disbursed in 2007, \$1.74 billion went to venture capital/private equity type of deals, up 25% from \$1.40 billion disbursed in 2006 (note: PIPE deals are excluded in VC/PE number).

For the first time, disbursements to angel type of deals have surpassed the \$300 million mark, garnering \$368 million up 59% from \$232 million recorded in 2006. The increase was largely attributed to the two large solar deals in 2007, which accounted for 16% of the total angel disbursements.

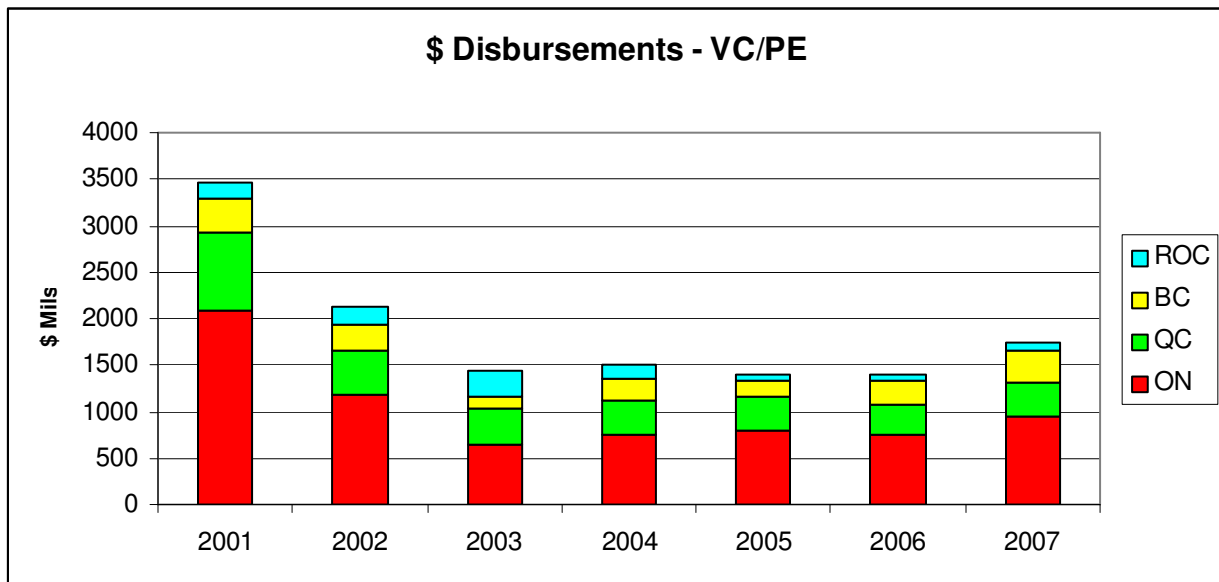


### Ontario Dominates Private Tech Disbursements

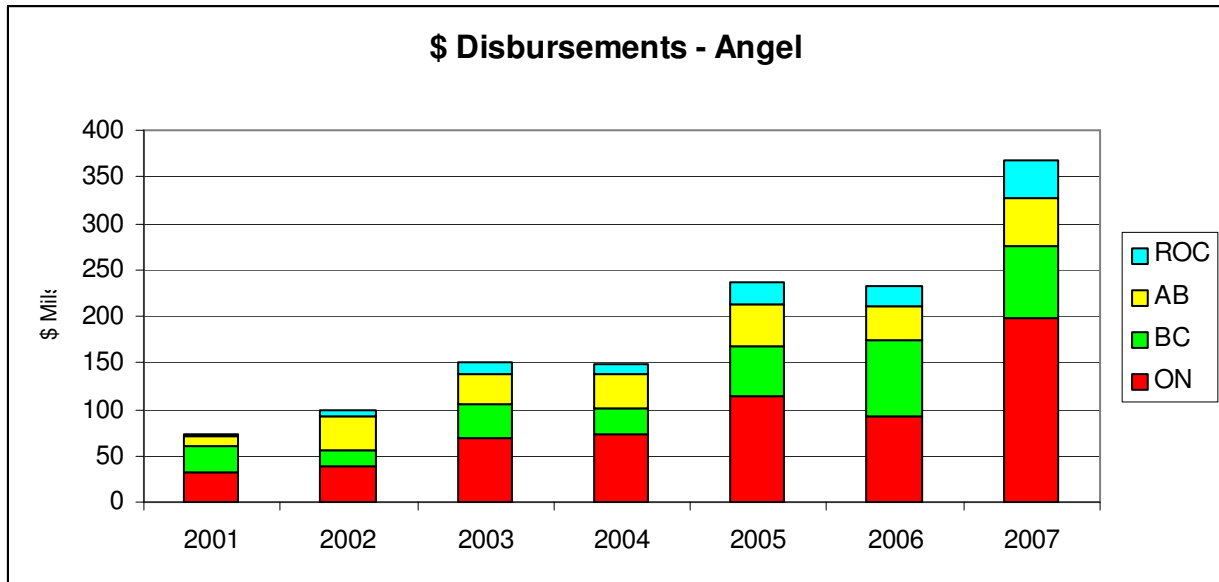
Ontario is and has remained as the undisputed leader in attracting private tech disbursements, receiving from 46% to 60% of overall tech disbursements since 2003. In 2007, Ontario accounted for 55% of overall disbursements.



With exception of 2003, Ontario, Quebec, and BC were the top three recipients of private tech overall and VC/PE disbursements, collectively accounting for 80% to 96% of the totals.

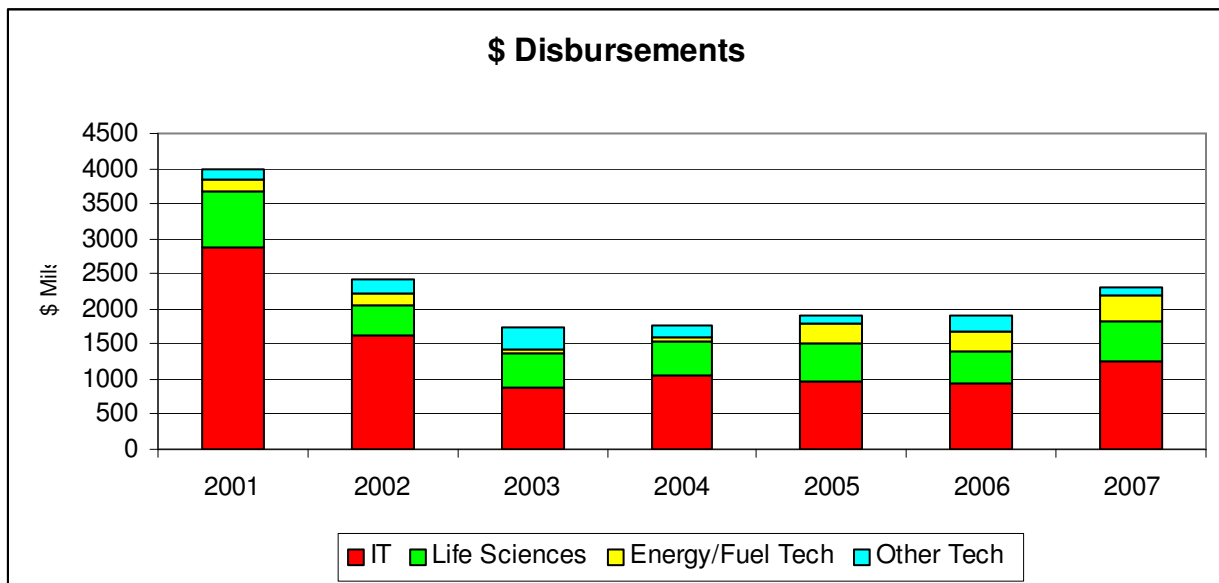


In case of angel tech disbursements, Alberta replaces Quebec as one of the top three recipients. BC and Alberta have seen their rank of being the second largest recipient going back and forth since 2001.

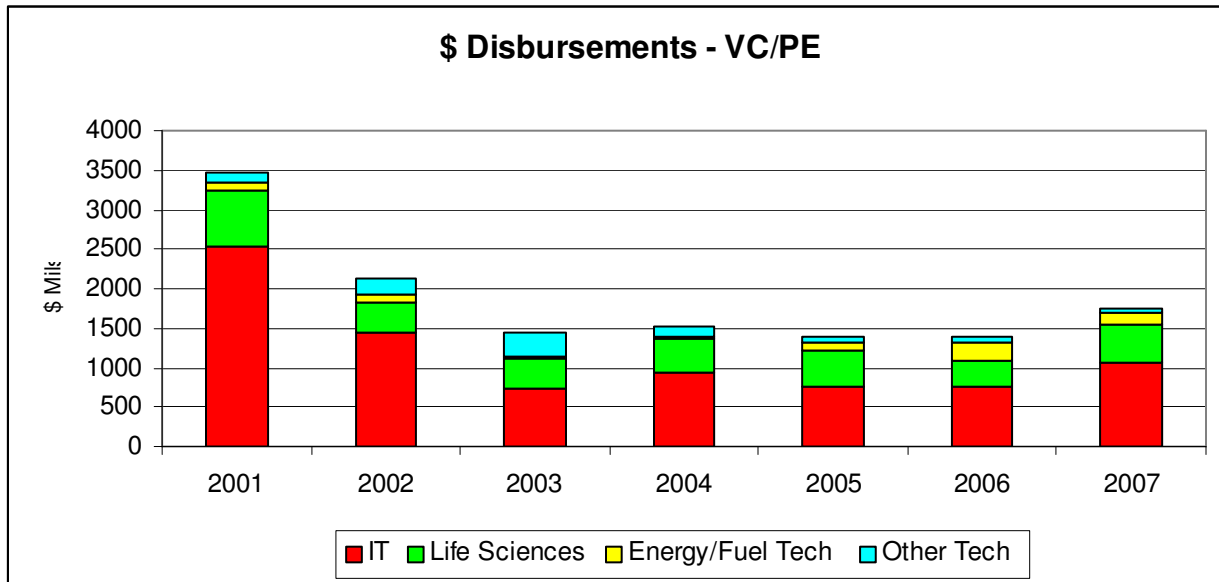


### IT Top Sector of Tech Disbursements

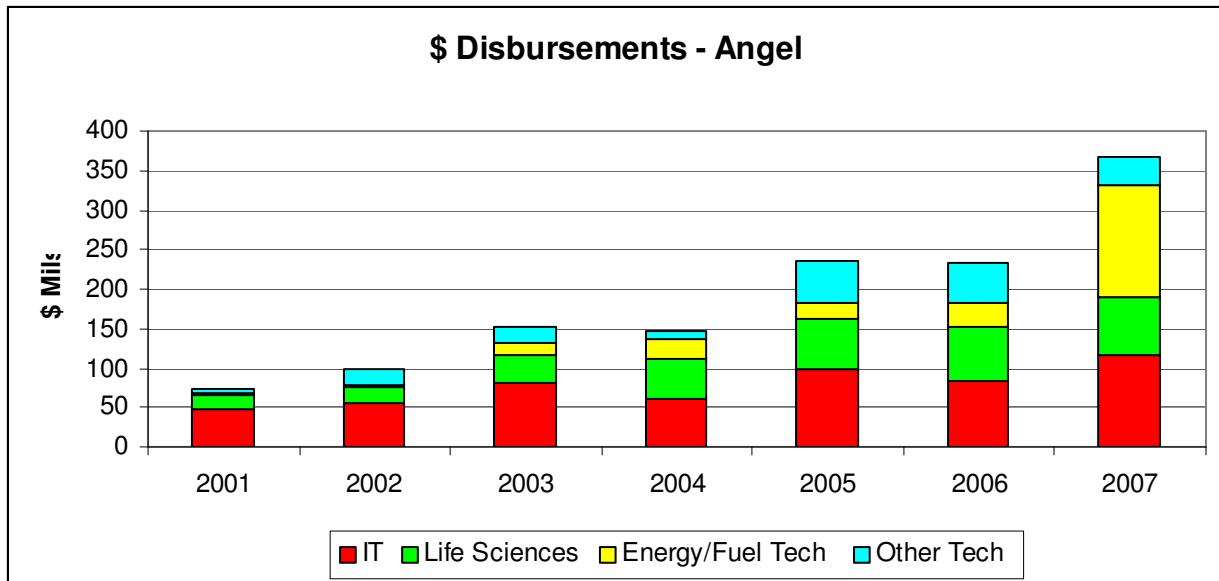
IT sector dominates the overall tech disbursements, receiving ranging from 1.8 to 3.6 times of the capital pouring into the Life Sciences sector.



The same holds true for VC/PE tech disbursements.

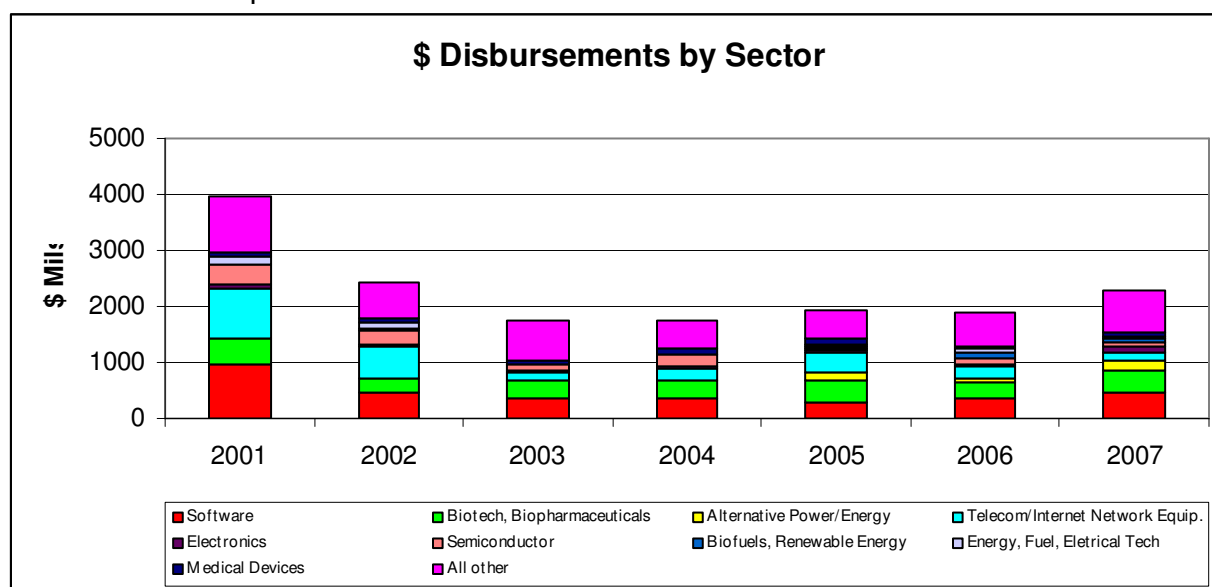


IT sector was also the largest recipient of angel tech disbursements with exception of 2007. As previously noted, due to two large solar deals, energy sector replaced IT as the top destination in 2007.



## Software Top Recipient of Private Tech Disbursements

In 2007, software companies, including telecom and wireless software companies, and biotech companies attracted \$449 million and \$399 million respectively, ranking as the top two sub-sectors. Investment in Geosign, an information content provider, was the largest in 2007. Since this was just one-time phenomenon, information content sub-sector was not separated.



## 2007 Top 10 Tech Deals

Company	\$ Mils	Sector
Geosign Group Holdings Inc.	188.0	IT
OANDA Corporation	103.0	IT
Targanta Therapeutics Inc.	81.4	LS
Creation Technologies Inc.	65.0	IT
Plasco Energy Group Inc.	54.0	Energy/Fuel
Neuromed Pharmaceuticals Inc.	40.4	LS
Enobia Pharma Inc.	40.1	LS
OptiSolar, Inc.	37.8	Energy/Fuel
Epocal Inc.	35.3	LS
NeurAxon Inc.	33.9	LS

[2003-2007 stats can be downloaded under Stats](#)

### Subscribers can download in-depth analysis from the subscriber menu

Investment activities from 2001 to 2007

Further sub-breakdown analysis on VC/PE and Angel type of deals

Top 20 tech deals in 2007