

New Brunswick Capital Markets Report 2013

October 2013

Financial and Consumer
Services Commission

FCNB.CA

85 Charlotte Street, suite 300 | Saint John, NB E2L 2J2 | 1 866 933-2222

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EXECUTIVE SUMMARY

The Financial and Consumer Services Commission is publishing the New Brunswick Capital Markets Report 2013. The objectives of the report are twofold: to increase stakeholder awareness about our capital markets and to provide a tool to analyze capital markets trends. We continue to enhance our research and reporting by incorporating new and relevant information on capital markets activity providing a more accurate representation of these markets.

We have been reporting on New Brunswick’s capital markets for four years and our reports have shown that our capital markets are greatly influenced by individual, large scale projects. These projects greatly skew the yearly results and have made trend reporting and analysis difficult.

We are pleased to be able to include information on mergers and acquisitions activity (M&A). This information has not been readily available in the past, however, through the efforts of Thomson Reuters and our own research, a significant number of the deals have been captured. In 2012 there were 19 M&A deals worth \$215.98 million, involving New Brunswick-based companies.

These include New Brunswick companies acquiring other companies and New Brunswick companies being acquired. In 2011 M&A activity was more robust with \$533.87 million in deals completed, though substantial, this does not include the amount from the Q1 Labs acquisition as no public information has been made available.

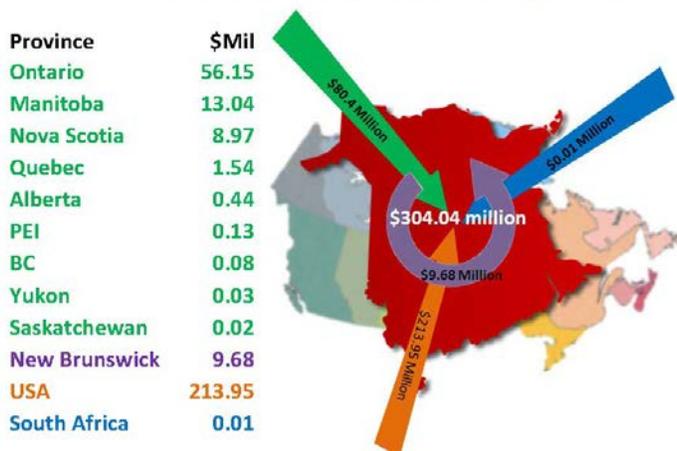


This report also incorporates an analysis of venture capital investments, money raised using a prospectus, exempt securities distributions, money raised through government agencies, and funding provided by financial institutions.

Economic activity as measured by Gross Domestic Product (GDP) in New Brunswick continues to trend below most other Canadian provinces. After minimal growth in 2011, the New Brunswick economy contracted by 0.6% in 2012. At the time this report was published the GDP per capita for 2012 was not available. However, there is a positive trend in New Brunswick as it rose from \$41,096 in 2010 to \$42,606 in 2011 but still remained below the national GDP per capita which is \$51,109.

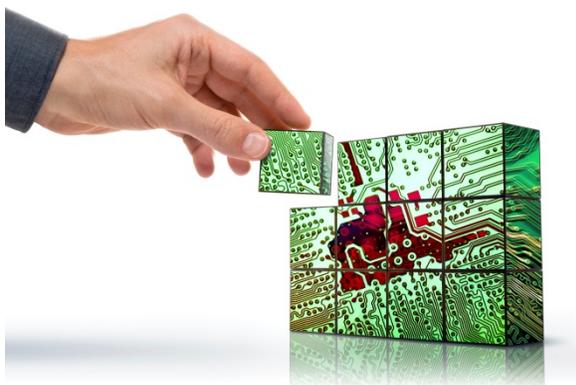
We observed an increase in exempt markets activity. Funds raised grew from \$25.19 million to \$304.04 million. Many of the investors were not based in New Brunswick, for instance 14 different U.S. locations invested in our exempt markets. The main contributor was a single deal where \$257.60 million was raised within the energy sector.

New Brunswick companies received investments of \$304.04 million via the exempt market



Venture Capital investments (VC) showed an interesting trend in 2012. The deal flow grew from 16 to 23, while conversely the dollar amount dropped from \$21.15 million to \$8.18 million. As we have noted in prior years one deal can greatly impact the total amount invested in our region, therefore, despite the decrease in the amount invested it is encouraging to see the increase in deal flow.

18 of 23 VC deals were in the ICT sector



Major growth was seen, in the number of deals completed within the Information and Communication Technology (ICT) sector. New Brunswick continues to strive to become one of the leading provinces in the ICT sector. Our analysis reflected that 18 of the 23 VC deals completed were within the ICT field.

New Brunswick companies have fallen behind similar provinces in the amount of VC funding they have been able to attract. Saskatchewan raised over \$53 million, Nova Scotia raised \$37 million and Manitoba raised \$31 million. We note that in Canada VC investment is occurring in many industry sectors yet New Brunswick is lagging in all sectors with the exception of ICT.

Caisses populaires (New Brunswick) loan contributions to New Brunswick businesses continued to grow in 2012. They financed \$730.61 million, which represents an 8.16% growth compared to the previous year. New Brunswick credit unions demonstrated similar trends as they financed \$71.39 million to New Brunswick businesses, which represents 9.68% growth.

Loans from caisses populaires and credit unions grew by 8.16% and 9.68% respectively in 2012.



A third contributor in the debt markets was the Atlantic Canada Opportunities Agency. Its contribution decreased by 16.49% from \$21.34 million to \$17.82 million.

Grant activity showed a drop of 29.19% compared to the previous year, resulting from a decrease in provincial government grants. Provincial grants decreased from \$157.58 million to \$90.73 million. The Department of Economic Development (formally Business New Brunswick),

contributed \$107.6 million in 2011. In 2012, its contribution dropped to \$51.30 million. There was also a decrease in the Regional Development Corporation contribution from \$48.16 million to \$38.14 million. Conversely, contributions from federal agencies increased from \$54.13 million in 2011 to \$59.18 million in 2012. Though provincial grants have decreased in the current year, the provincial government has dedicated significant resources to help grow the economy through Invest NB (a provincial Crown corporation). Invest NB attracted 14 new capital investments valued at \$35 million in fiscal 2012.

INTRODUCTION

As of July 1, 2013, the New Brunswick Securities Commission became part of the Financial and Consumer Services Commission (FCSC). As the FCSC, we regulate insurance, consumer affairs, credit unions, caisses populaires, co-operatives, loans and trust companies, pensions and securities.

In 2005, the New Brunswick Securities Commission established its Fullsail initiative to help foster capital markets. Fullsail activities include programs to educate capital markets participants, stakeholder engagements and consultations, as well as research into our capital markets. Educating and informing capital markets stakeholders will continue to be a priority of the FCSC. As part of this initiative we publish this report annually. The objective of this report is to create awareness among our stakeholders of the yearly activity within New Brunswick's capital markets and to provide a tool to analyze capital markets trends.

In the Capital Markets Report 2013, additional key metrics and other sources of information are used to enhance the capability of our capital markets analysis. This year we present comprehensive information on the mergers and acquisitions activity (M&A), which represents a critical portion of total capital markets activity in New Brunswick.

PURPOSE AND SCOPE OF REPORT

The purpose of the Capital Markets Report is to provide information about capital markets activity in New Brunswick to our different stakeholders. We endeavour to examine each sector of the capital markets to identify those areas that are developing as well as areas of decline.

In this report we cover the following sectors:

- Venture capital
- Mergers and acquisitions
- Exempt markets
- Grant funding
- Debt financing

In the 2013 Capital Markets Report we analyze these multifaceted markets from multiple angles. Our goal is to provide capital markets stakeholders an empirical view of how New Brunswick companies are raising money to fund their businesses. This report also provides an overview of the trends used in funding investments within the province over time. It focuses on the following areas:

- From what geographic regions do New Brunswick businesses obtain funding?
- What types of organizations provide funding?
- What specific industries are attracting investment?
- At what stage of development do these companies receive funding?
- Is there noteworthy M&A activity in the province?

METHODOLOGY

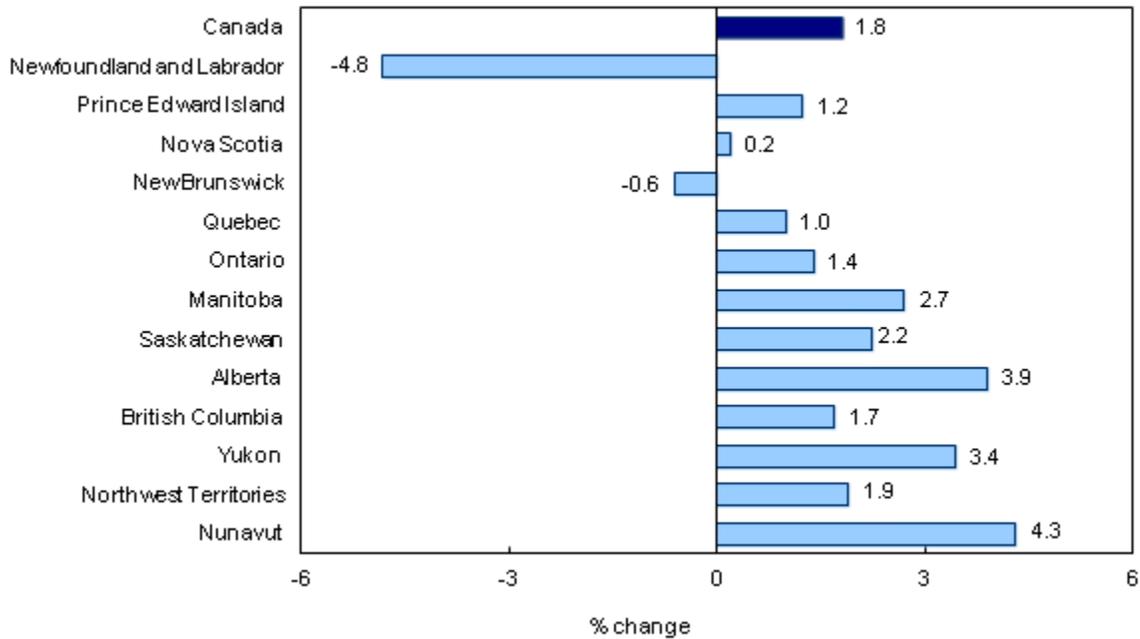
Many primary and secondary information sources were used to develop the 2013 Capital Markets Report. We used internal and external sources of information, as well as publications, interviews with stakeholders, direct information from relevant institutions, internal databases and Thomson Reuters. See Appendix E for a full listing of data sources.

NEW BRUNSWICK'S CAPITAL MARKETS

We are facing a number of roadblocks to develop our capital markets including the lack of a significant catalyst for economic growth. Other provinces, such as Alberta and Saskatchewan, have had the oil and gas industry to act as a catalyst and have experienced significant capital market growth. This was demonstrated in the 2012 Gross Domestic Product (GDP) performance where a decline of 0.6% was reported. This, combined with Statistics Canada's Private and Public Investment Survey¹ (P&PI), which notes that intentions to invest in New Brunswick for the 2013 year were down. Chart 1 provides information on our GDP results compared to the rest of the country.

¹ <http://www.statcan.gc.ca/pub/61-205-x/2013000/t026-eng.htm>

Chart 1: Real Gross Domestic Product, 2012



The Capital Markets Report 2013 identified the following:

- Venture capital (VC) is an important measure for determining the health of our capital markets. The report shows there is a growing awareness of the potential within New Brunswick’s companies.
- Activity in the exempt markets showed that our province is greatly influenced by various large private companies, which have a significant impact on our yearly trends.
- We are reporting for the first time on mergers and acquisitions (M&A) involving New Brunswick companies, which were substantial in both 2011 and 2012. The level of activity shows a healthy M&A environment within the province.

DASH BOARD ANALYSIS

The purpose of the dashboard 1.0 is to display important information in a clear and useful manner. We segmented capital markets information into different industry sectors and compared it to previous year's data to understand the major shifts in each area. This year, for the first time, we are able to include M&A information.

The dashboard is divided into four main segments:

- Equity investment
- Merger and acquisitions
- Grants
- Debt financing

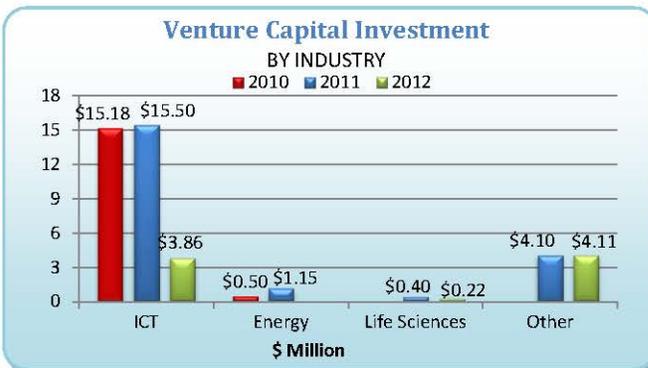
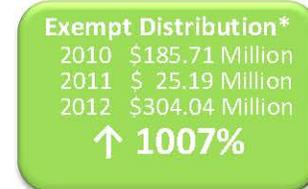
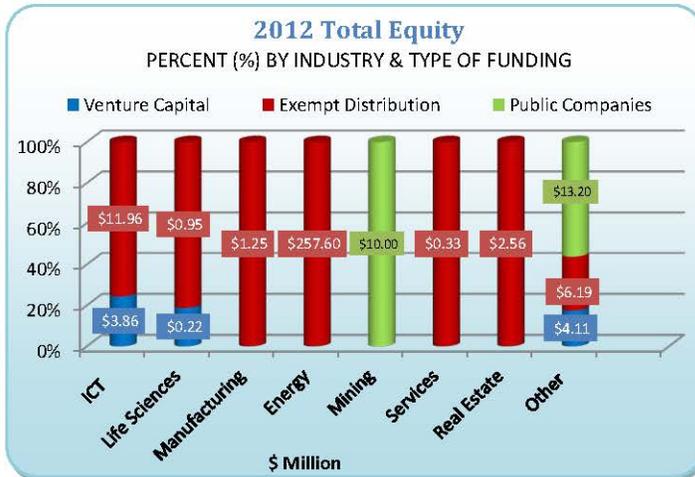
Equity investment includes information on venture capital, angel investments, exempt distribution activity and publicly listed companies. This year we observed a sharp decline of 61.32% from \$21.15 million to \$8.18 million in VC investment. Conversely, exempt market activity for private companies increased significantly from \$25.19 million to \$280.84 million. Additionally \$23.20 million was raised by three public companies using the exempt market. Overall, the equity markets showed an increase of 91.26% in 2012.

Mergers and acquisitions activity included in this year's report provides additional insight into New Brunswick's capital markets. M&A activity was valued at \$215.98 million in 2012 and \$533.87 million in 2011. New Brunswick companies acquired other entities totalling \$176.78 million. Companies from other locations acquiring New Brunswick companies declined significantly from \$361.90 million to \$39.20 million.

Grants comprise information from federal and provincial agencies. Grants showed an overall 29.19% decrease from \$211.71 million to \$149.91 million in 2012. In 2012, provincial agencies contribution decreased by 42.42% while federal agencies contribution increased by 9.33%.

Debt financing showed an increase of 7.60% from \$761.93 million in 2011 to \$819.82 million in 2012. For debt financing analysis we have considered loans made by caisses populaires, ACOA and credit unions from New Brunswick. For more information see Appendix B.

Dashboard 1.0 – New Brunswick Capital Markets Performance 2012



* The significant differential in the money raised from exempt market distributions can be attributed to a single investment in an energy project in 2012.

CHARTS AND ANALYSIS

Venture Capital Investments in New Brunswick's capital markets

In 2012, the VC activity in New Brunswick demonstrated a positive trend in the number of direct investments, which increased from 16 in 2011 to 23. Additionally, looking back at the last four years, this amount increased from 11 in 2009, which signifies 109% growth in deal flow.

This positive trend is an indicator of advancements made in our companies' preparedness for investment and increased opportunities for VC firms in the province. The pattern of investment in VC markets has changed over the last four years. In prior years, especially in 2009, VC was dominated by few large investments, whereas, now there are more but smaller sized investments. Conversely, the amount of VC investments dipped noticeably in 2012 to \$8.18 million from \$21.15 million in 2011. This decrease represents a drop of 61.32%. This opposing trend shows that more New Brunswick companies are finding ways to attract capital, however there were no large scale investments in the current year. Though the dollars have decreased, the increased number of deals is a positive sign for New Brunswick capital markets.

Figure 1.0: Amount of VC investments (\$Mil)

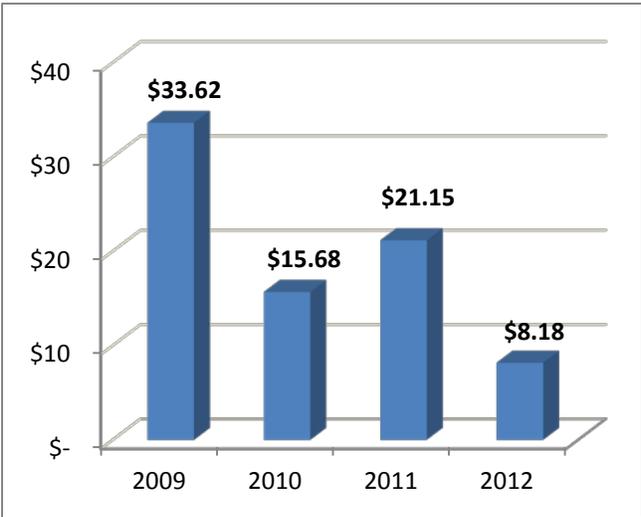


Figure 1.1: Number of direct investments

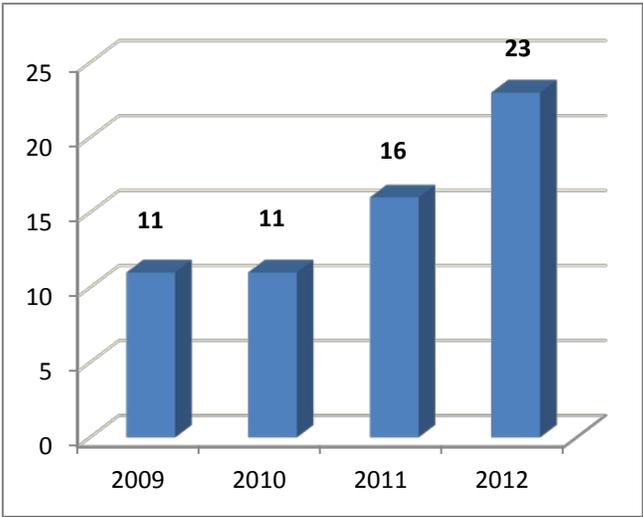


Figure 1.2 illustrates the VC investments trends according to industry sector from 2009 to 2012. Funds invested in investments in Information and Communications Technology (ICT) decreased significantly in 2012, which ultimately affected total VC investments. In 2012, there was no investment in the energy sector and no major movement was apparent in the life sciences and manufacturing industries. Investments in the sectors not specifically defined remained consistent with 2011.

Figure 1.2: Amount (\$Mil) of VC investments by industry sector

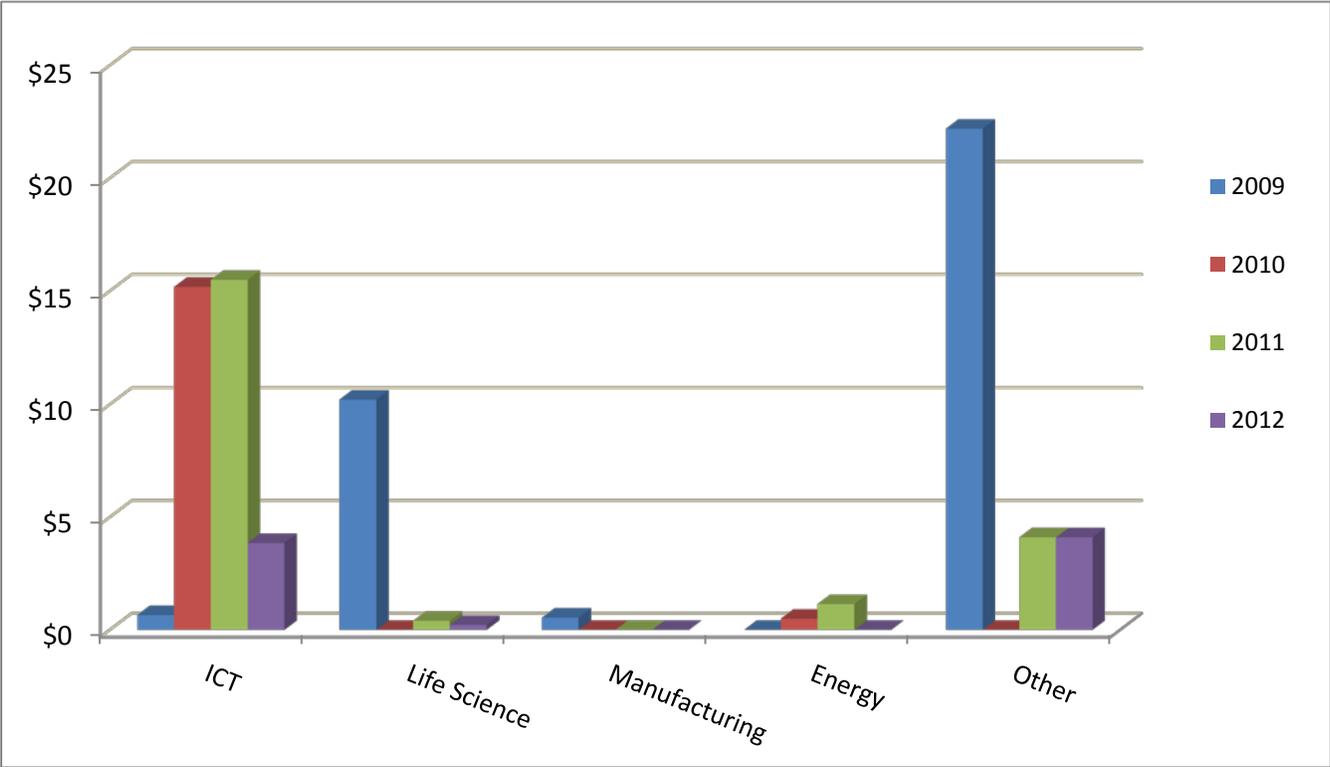
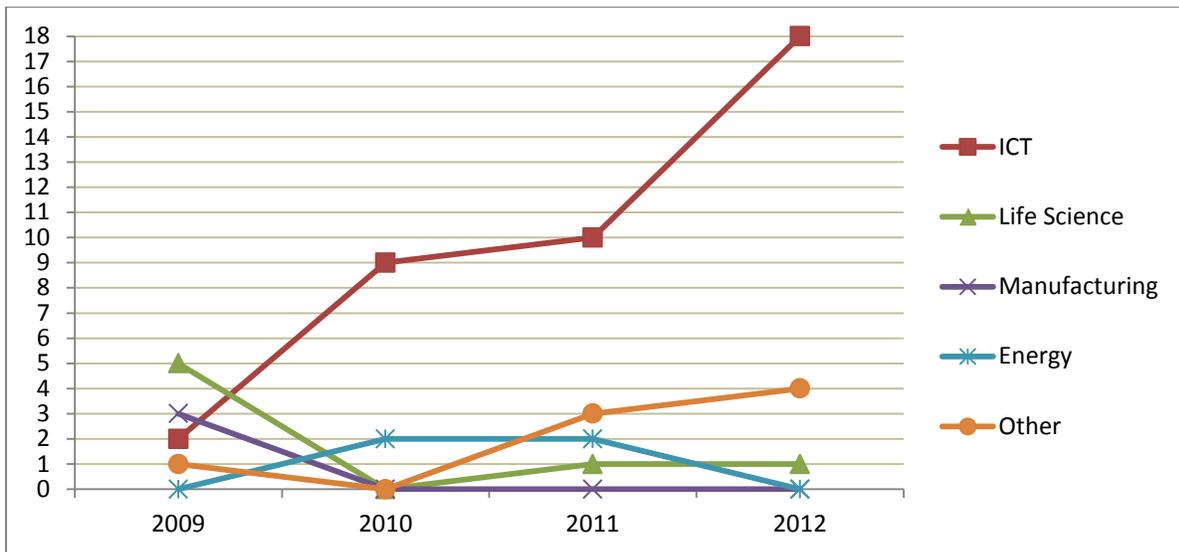


Figure 1.3 illustrates the number of direct investments made in 2012 compared to 2011. These numbers represent a 43.75% increase from the previous year. Of the 23 total deals, 18 were in the ICT sector. Compared to the previous year, the number of investments in the ICT sector increased from 10 to 18, however no substantial movement was observed in the other four sectors.

Figure 1.3: Number of direct VC investments by industry sector



As can be seen in Figure 1.4 there was increased activity in early stage companies. These investments rose from \$2.54 million to \$5.55 million. Conversely, there was a significant decrease of 88.14% in later stage companies, which often represents larger individual investments. Investments in seed stage companies also decreased from \$1.58 million to \$0.61 million. Investments in seed stage companies also decreased from \$1.58 million to \$0.61 million.

Figure 1.4: Amount of VC investments (\$Mil) by development stage and industry

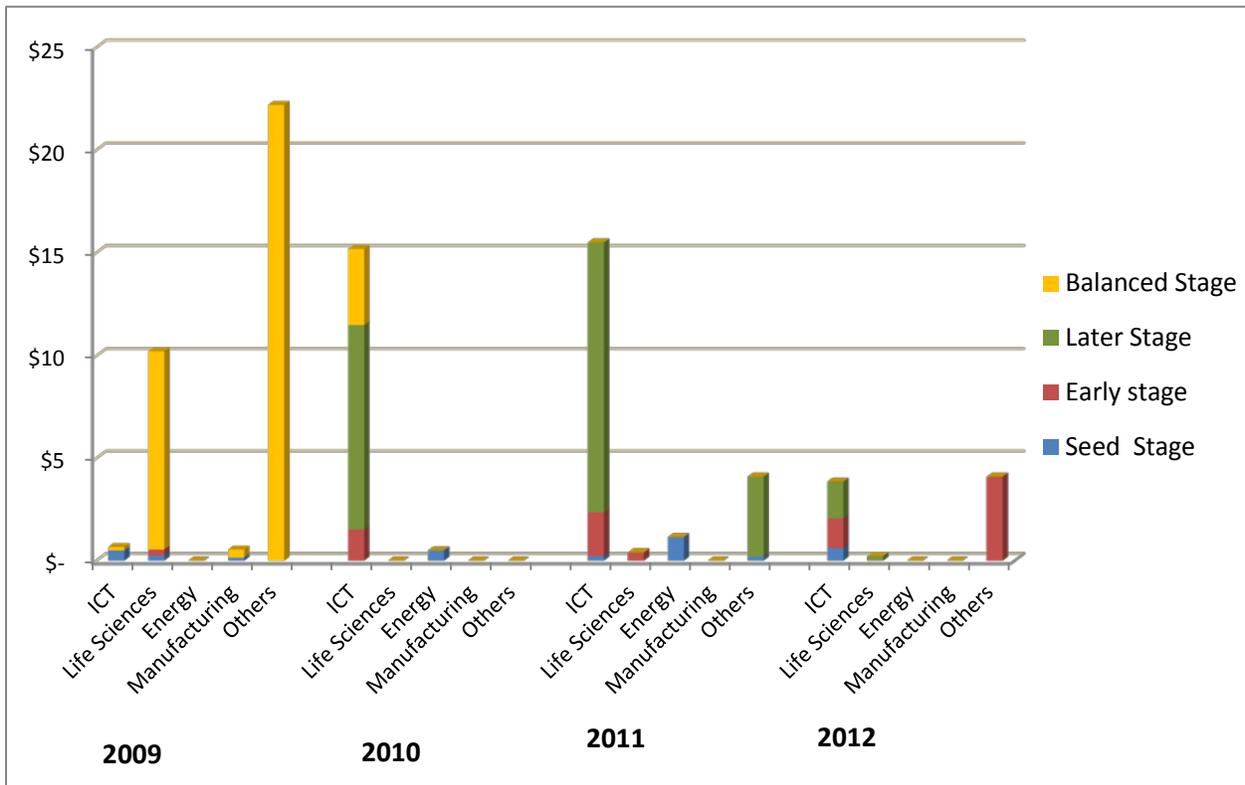
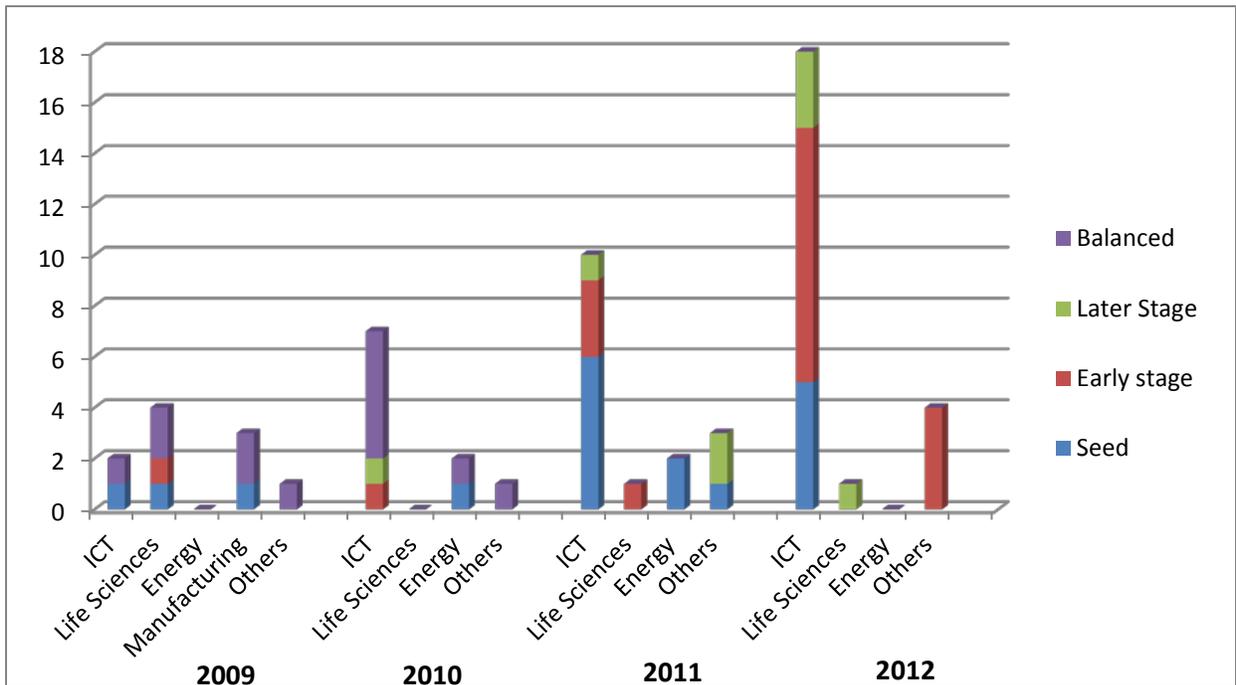


Figure 1.5 shows that out of 23 VC deals, 14 were made in early stage companies. This indicates an emergence of new ventures in New Brunswick capital markets, most of which are in the ICT sector.

Figure 1.5: Number of direct VC investments by development stage and industry



There are five major types of funding sources, which are active in New Brunswick's VC markets:

- Government
- Private independent investors
- Retail investors
- Institutional investors
- Other investors

As is illustrated in Figure 1.6, government funds increased in 2012 to \$2.05 million from \$0.10 million. Other than government funds, the amount of investments decreased from all other funding sources. There was a significant decrease of 99.22% observed in the private

independent category. Retail investments decreased by 59.87% and institutional investors decreased by 38.08%.

The ICT sector received a major portion of its funding from government, institutional investors and other investors. The other industry sector category was funded by other investors and institutional investors. The life sciences sector (\$0.22 million) was funded by retail investors.

Figure 1.6: Amount of VC invested (\$Mil) by type of funder

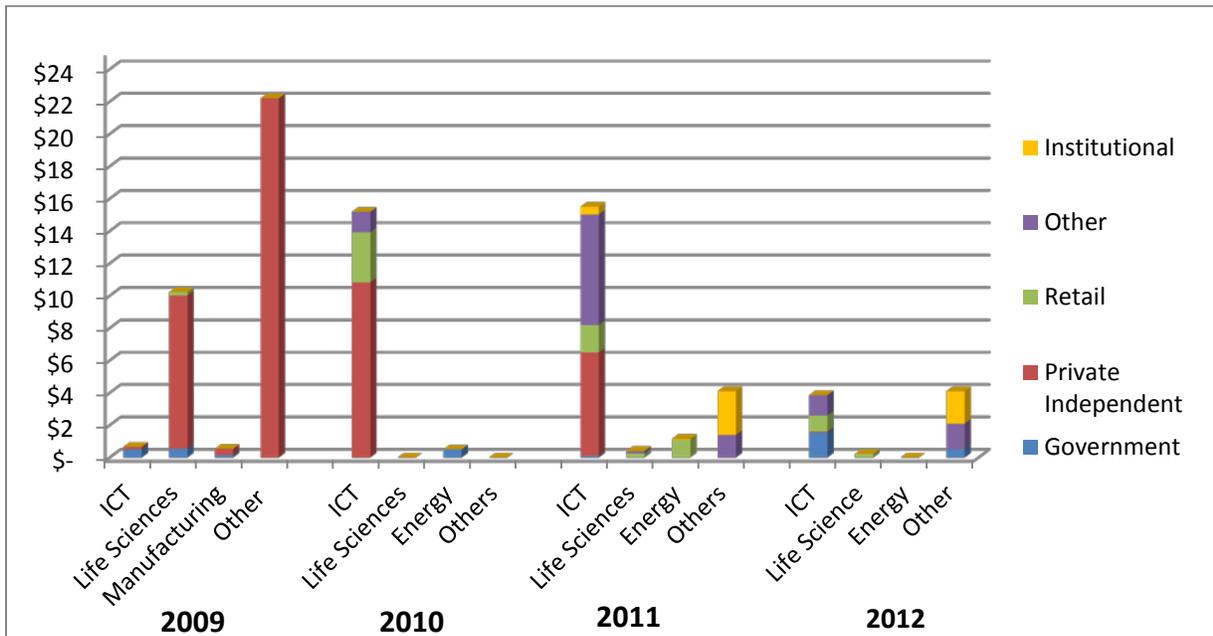


Figure 1.7 illustrates the comparison from 2009 to 2012 of VC investments among five different provinces: New Brunswick, Nova Scotia, Manitoba, Saskatchewan and Newfoundland and Labrador. These provinces were used in our analysis because they are similar to New Brunswick’s capital markets in respect to the size and nature of investments.

As reflected in Figure 1.7, VC investments increased significantly in 2012 in Saskatchewan and Manitoba as compared to 2011. This development was due to extensive investments in the life sciences sector. Saskatchewan and Manitoba companies received investments of \$35.93 and \$27 million respectively in the life sciences sector in 2012. This progress is also mirrored in

macroeconomic indicators of these two provinces: according to Statistics Canada, real GDP growth in 2012 was 3.7% for Saskatchewan which was ranked second in Canada.

Similarly, Manitoba exhibited a strong economic rebound in 2012. Statistic Canada’s Private and Public Investment Survey revealed that capital spending jumped by a solid 9.7% in 2012 after no growth in 2011. Manitoba has the second best average annual GDP growth over the last five years (2007-2012) at 2.1%, which put it ahead of Canada’s average of 1.1%.

With the exception of Saskatchewan and Manitoba, the other three provinces experienced a decline in VC investments. New Brunswick, Nova Scotia and Newfoundland and Labrador concentrated predominantly on the ICT sector. Despite the concentration on the ICT sector, these three provinces experienced a significant decline in amount of VC funds invested in this sector, which ultimately resulted in a decline in aggregate VC amount.

Figure 1.7: VC investments (\$Mil) comparison by province

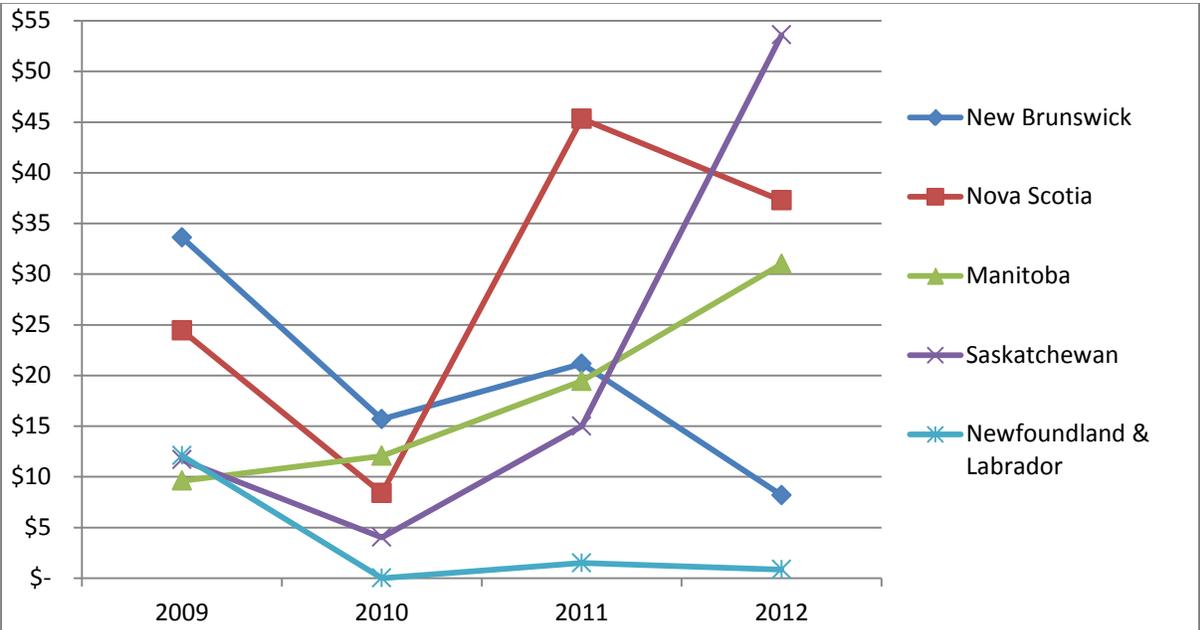
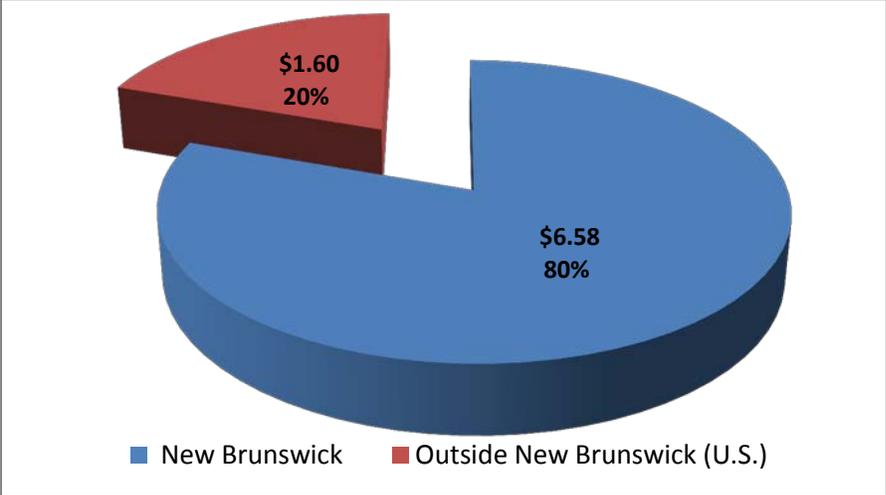


Figure 1.8 illustrates where the investors were located. Of note is that 80% (\$6.58 million) of the total investments was funded by New Brunswick investors. The remaining 20% (\$1.6 million) represents one deal funded by a U.S. investor.

Figure 1.8: VC investments (\$Mil) comparison by location of investors



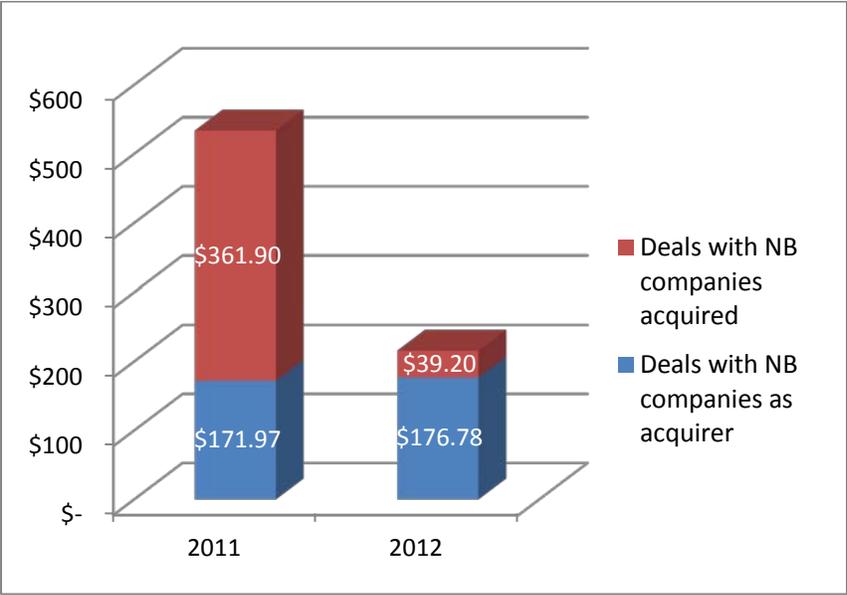
Mergers and Acquisitions in New Brunswick’s capital markets

The ability to incorporate into this report an analysis of M&A deals provides a more complete picture of New Brunswick’s capital markets. Through the work of Thomson Reuters as well as our own research, we were able to analyze 19 deals completed in 2012 and 9 deals completed in 2011.

In 2012, the total value of M&A deals was \$215.98 million. This includes \$176.78 million invested by New Brunswick companies to acquire other companies. The remaining \$39.20 million were deals made by companies located outside of New Brunswick acquiring New Brunswick companies. The value of deals from 2011 of \$533.87 million (which does not include the Q1 Labs deal) to \$215.98 million in 2012 shows a significantly decline in the monetary value of the deals; however the number of deals has increased from 9 in 2011 to 19 in 2012 which signifies a more active marketplace.

As shown in Figure 2.0 New Brunswick companies made acquisitions of \$176.78 million which signifies a 2.80% growth compared to the previous year. On the other hand, the value of New Brunswick companies that were acquired has decreased from \$361.90 million in 2011 to \$39.20 million in 2012.

Figure 2.0: Comparison of M&A deals (\$Mil) in New Brunswick



New Brunswick’s M&A activity spans the globe. In 2011, the U.S.-based company Salesforce.com Inc. acquired Radian6 Technologies Inc., a software company that develops social media monitoring based in Fredericton for \$350 million. This single deal accounted for 65.56% of total M&A activity in 2011. A 2012 press release issued by McCain² foods indicated that they acquired 100% of the shares of the Kitchens of Sara Lee a frozen bakery business based in Australia and New Zealand from Hillshire Brands for \$86.13 million. In addition to the McCain deal, New Brunswick companies also acquired companies from Ontario worth \$60 million and Quebec worth \$2.28 million. Finally, New Brunswick companies spent \$28.37 million to acquire other New Brunswick companies. Further detail is noted in Figure 2.1b.

² [http://www.mccain.com/newsroom/Pages/McCainFoodstoacquireKitchensofSaraLee\(Australia\).aspx](http://www.mccain.com/newsroom/Pages/McCainFoodstoacquireKitchensofSaraLee(Australia).aspx)

Figure 2.1a illustrates the breakdown of the locations of those companies that acquired New Brunswick companies in 2012. British Columbia-based firms acquired companies for \$18.84 million followed by Ontario at \$15.24 million, Alberta at \$3.11 million and Quebec at \$1.11 million.

Figure 2.1a: Location of companies acquiring New Brunswick companies (\$Mil) (2012)

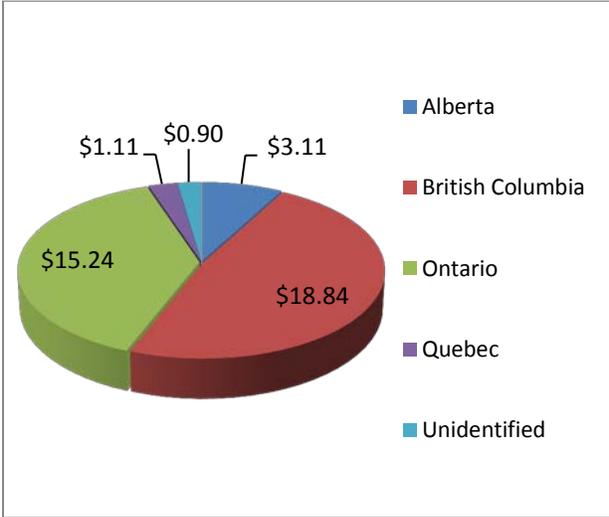
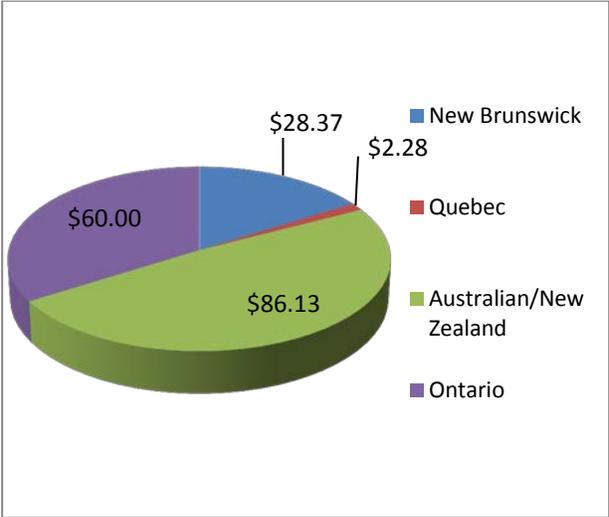


Figure 2.1b: Location of companies acquired by New Brunswick companies (\$Mil) (2012)



Note: Within Figure 2.0 and 2.1b, the total acquisition of New Brunswick companies includes \$28.37 million related to a New Brunswick company acquired by another local company.

Deals by Industry

There was significant activity in the food service sector in 2012, whereas in 2011 there was none. Of note are the five deals that accounted for \$154.39 million in this sector. Aside from the food service sector, the mining sector contributed \$41.84 million. We also observed growth in the healthcare and energy sectors. Unlike the previous year, the ICT sector was mostly inactive. The largest ICT Sector M&A deal accounted for \$0.90 million. In 2011, the Salesforce.com deal represented 65.56% of the total M&A activity in 2011. Further detail on the value and number of deals can be found in Figure 2.3 and 2.4 respectively.

Figure 2.3: Comparison of value of M&A deals by industry (\$Mil)

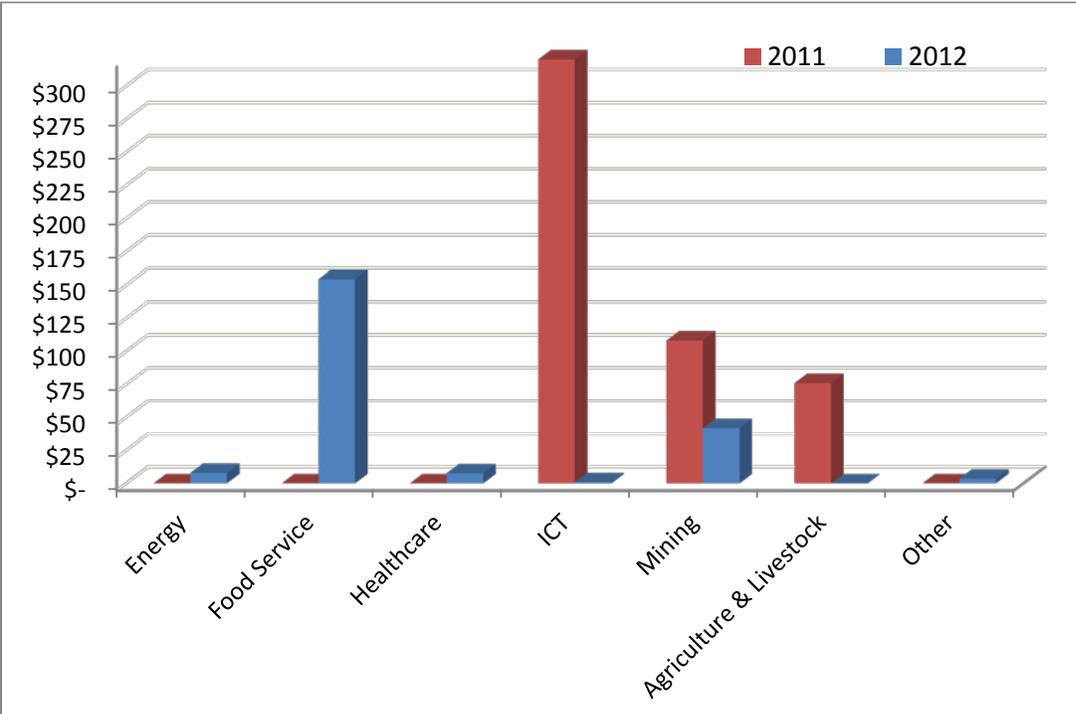
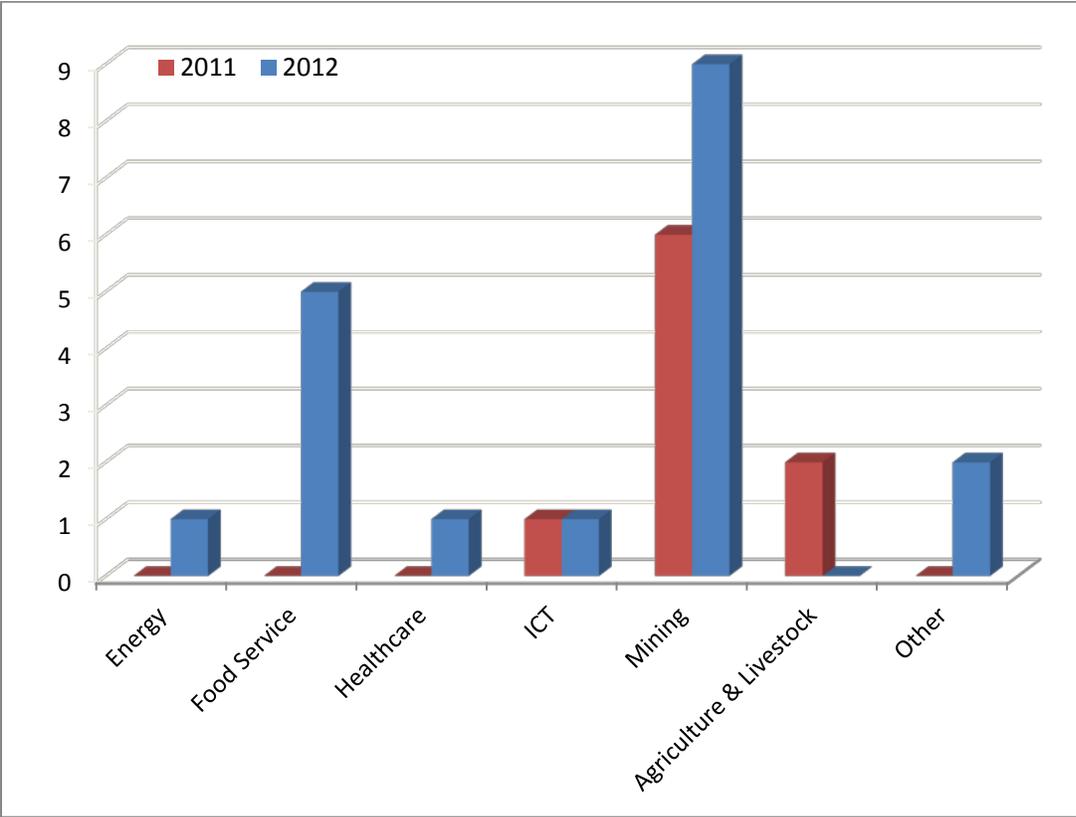


Figure 2.4: Comparison of number of M&A deals by industry



Other major activity in M&A sector related to New Brunswick assets (2012)

In 2012, an Ontario-based real estate company, Primaris Retail REIT³, acquired Fredericton's Regent Mall and Saint John's McAllister Place for \$317.6 million from Cadillac Fairview Corp. Ltd., another Toronto-based real estate development and management firm. Both Regent Mall and McAllister Place are high-profile local shopping destinations. These two major acquisitions means that Primaris Retail now owns 35 income-producing properties comprising approximately \$14.7 million square feet that span the country from the West Coast to the Maritimes.

Exempt market distributions in New Brunswick's capital markets

Typically every person who "distributes" new securities must disclose certain information to potential investors in the form of a prospectus. This requirement ensures that investors receive sufficient information to allow them to make an informed investment decision. Securities regulators have acknowledged that in a set of limited circumstances, or exemptions, the requirement for a prospectus can be waived. Securities distributed without a prospectus are referred to as "exempt market securities". They are usually illiquid securities as they do not have established secondary markets. As well, unlike publicly traded companies, most issuers of exempt market securities are not required to provide continuous disclosure to investors.

For our analysis, we obtained information from regulatory filings as well as information provided to us voluntarily by investors. Readers should be aware that many companies raising capital in the Province rely on the Private Issuer Exemption. This exemption does not have a regulatory reporting requirement.

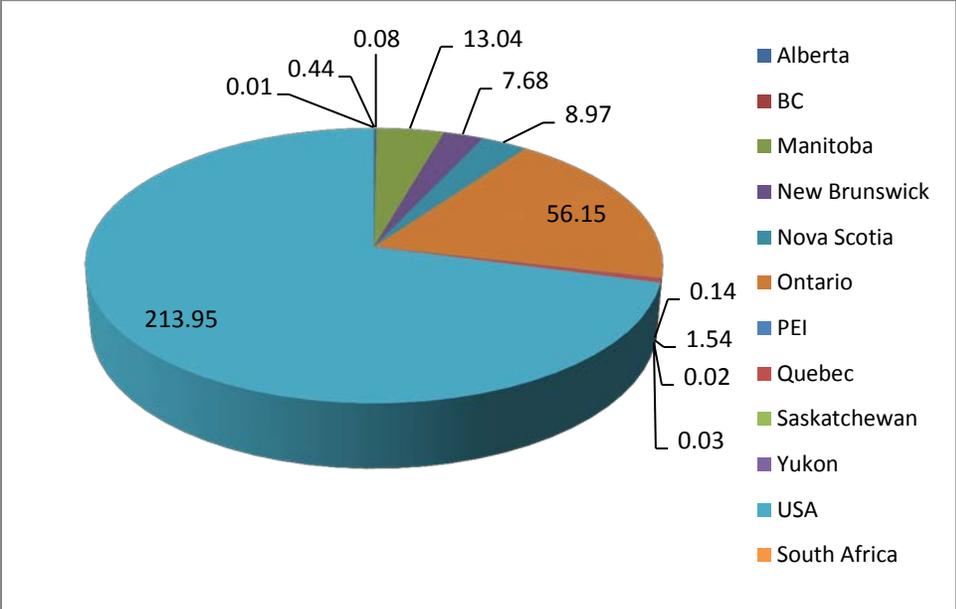
For more information about exempt market securities and the Private Issuer Exemption you can refer to [A Guide to Capital Raising Exemptions in New Brunswick](#).

³ http://www.primarisreit.com/system/attachments/49/original/Closing_of_Regent_Mall_and_McAllister_Place_-_national_version.pdf?1371846917

There was a major shift in exempt markets activity from 2011 to 2012 in New Brunswick. Activity grew from \$25.19 million to \$304.04 million. The number of issuers also increased from 20 to 39. Of note, in 2012: 96.82% of exempt markets funds were raised from investors located outside of New Brunswick which accounted for \$294.36 million of the \$304.04 raised by New Brunswick companies. This change was due to increased investments in the energy sector. A leading New Brunswick company raised \$257.61 million, which represents 84.73% of the total exempt markets funds raised in 2012. International investors (mainly from the U.S.) provided \$213.94 million of the funds raised compared to \$0.25 million in the previous year. Furthermore, in 2011 most of the funds were contributed by New Brunswick investors; however, this year, Ontario funded \$56.16 million, Manitoba contributed \$13.04 million, Nova Scotia contributed \$8.97 million and New Brunswick added \$9.68 million.

Typically, in New Brunswick the exempt market is used by private companies trying to raise funds; however in 2012 three of New Brunswick’s public companies used the exempt market to raise \$23.20 million. In 2011 public companies were much more active when they raised \$116.90 million through the issuance of a prospectus.

Figure 3.0: Exempt markets distributions (\$Mil) by investor’s location



In 2012, U.S. investors from a variety of locations were participating in New Brunswick’s exempt market. To compare, a total of \$213.95 million was funded by investors from 14 different U.S. locations versus 4 locations in 2011. For details see Table 3.3 in Appendix C.

The mining sector and ICT sector grew compared to the previous year. Investments in the mining sector increased from \$0.76 million to \$10 million and ICT increased from \$4.63 million to \$11.96 million.

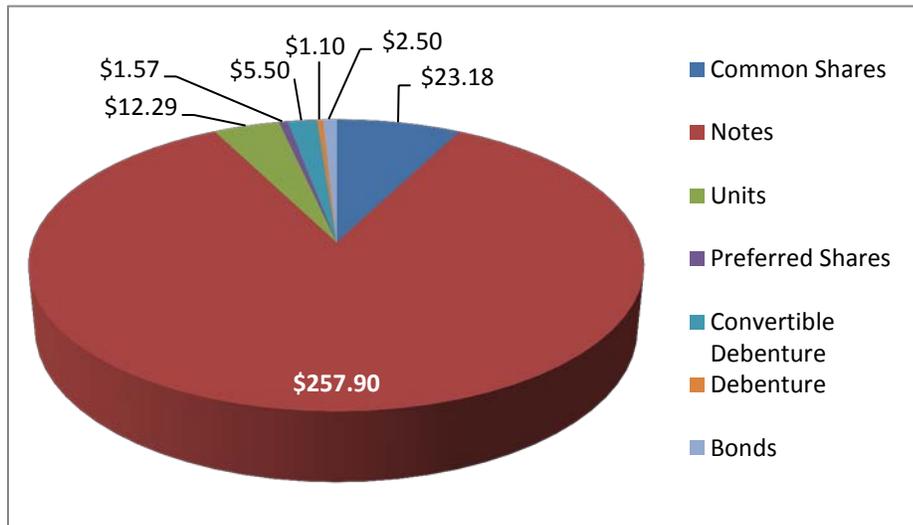
Figure 3.1: Total value (\$Mil) exempt markets distributions by industry



In 2011, common shares represented the largest portion of securities issued, however in 2012 notes were more prevalent, accounting for \$257.90 million of the total money raised. Notes made up almost 85% of the total exempt markets funding. Common shares were issued for \$23.18 million, units were issued for \$12.29 million and convertible debentures were issued for \$5.50 million.

Though notes were issued in the largest capital raise of 2012, most New Brunswick companies issued common shares during the year. Equity capital was issued by 83.7% of the companies who raised capital in 2012.

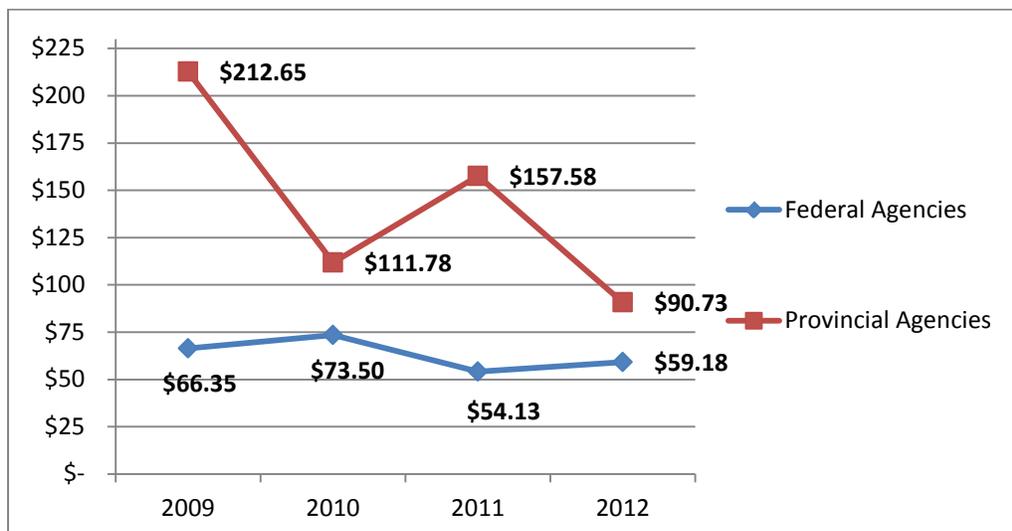
Figure 3.2: Exempt markets distributions (\$Mil) by type of securities



Grants in New Brunswick's capital markets

For our analysis, we have considered federal and provincial government grants issued. There was a significant decline of 42.42% in provincial grants from \$157.58 million in 2011 to \$90.73 million. Conversely, federal grants increased by 9.33% from \$54.13 million in 2011 to \$59.18 million.

Figure 4.0 Federal and provincial grants (\$Mil) in New Brunswick



Provincial government agencies

The three provincial agencies that are active in the New Brunswick's grant markets are:

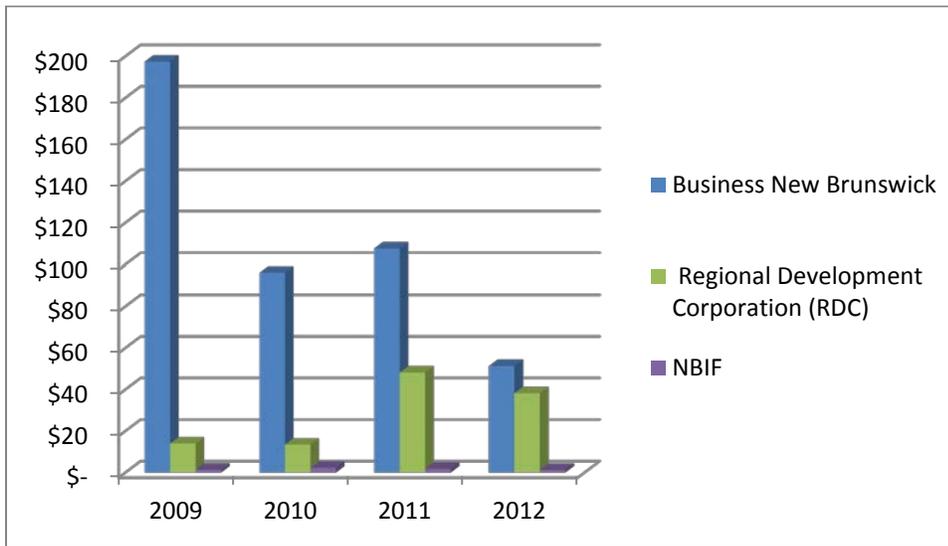
- Department of Economic Development (formally Business New Brunswick)
- Regional Development Corporation (RDC)
- New Brunswick Innovation Foundation (NBIF)

In 2012, Department of Economic Development contributed 57% of total provincial grants. Figure 4.1 illustrates that the Department of Economic Development's reduction in grant funding was \$56.30 million. RDC reduced the total value of their contributions by \$10.10 million, as well; NBIF decreased its grant contributions from \$1.82 million to \$1.29 million in 2012.

Though provincial grants have decreased in the current year, the provincial government has dedicated significant resources to help grow the economy through Invest NB (a provincial Crown corporation). Invest NB has been charged with attracting foreign companies to New Brunswick. They also work with foreign companies already located within the province to increase their capital investments in the province. As noted in Invest NB's annual report⁴, they attracted 14 new investments valued at \$35 million in fiscal 2012. Invest NB can provide loan funds and various payroll incentives to attract these companies. Invest NB's annual report shows it provided loans of approximately \$15 million to foreign companies over the past two years. In fiscal 2012 the companies associated with Invest NB have contributed \$136.80 million to New Brunswick's GDP.

⁴ http://www.gnb.ca/inb/en/pdf/INB_Annual_Report_web2012-13.pdf

Figure 4.1: Provincial grants (\$Mil) in New Brunswick



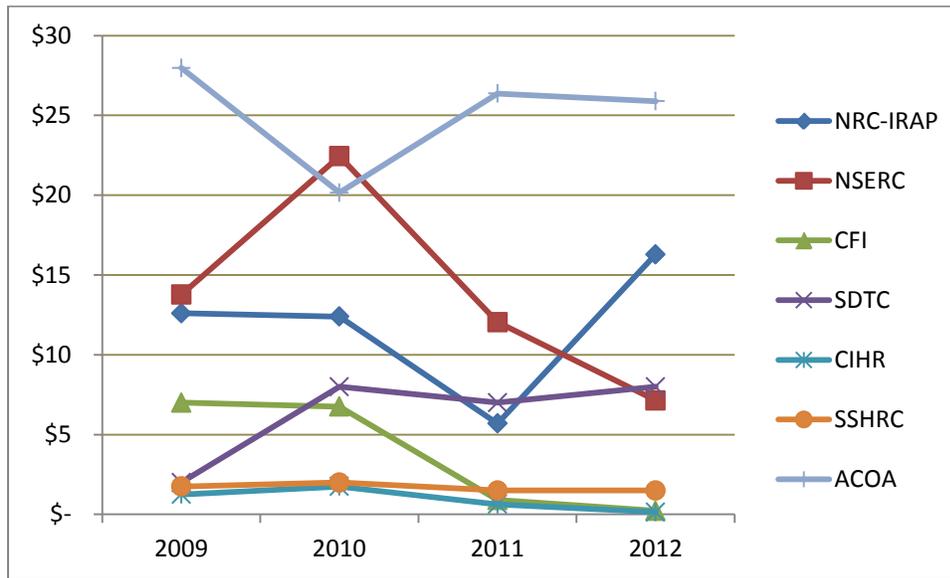
Federal agencies

Federal grants have increased from \$54.13 million in 2011 to \$59.18 million in 2012, representing growth of 9.33%. Similar to previous years, Atlantic Canada Opportunities Agency (ACOA⁵) continued to contribute the largest portion of federal grants. ACOA contributed \$25.89 million, which represents 43.75% of the total federal grants. For additional analysis of ACOA funding, see Appendix D.

There was a significant increase in grant funding from the National Research Council (NRC), rising by 185.91% this year whereas, Natural Science and Engineering Research Council (NSERC) grant funding continued to decrease. Over the last two years it has decreased by 68.18%. Sustainable Development Technology Canada (SDTC) contributed \$8.00 million, which was 14.29% higher than 2011.

⁵ For ACOA we have considered Non-Repayable Contributions, Conditionally Repayable Contributions and Grants for the grant analysis.

Figure 4.2: Federal grants (\$Mil) in New Brunswick



Debt financing in New Brunswick's Capital Markets

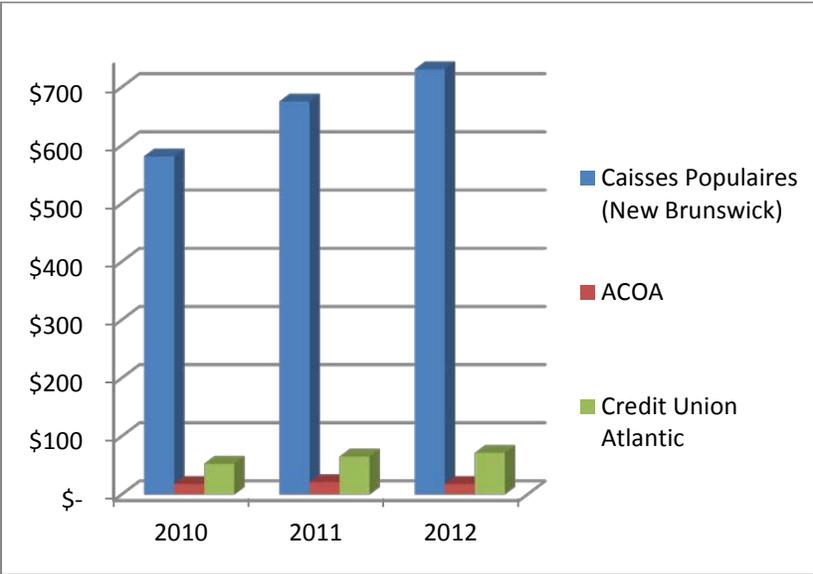
We considered the following three institutions for debt analysis – information for the major banks is not available at a provincial level:

- Caisses populaires (New Brunswick)
- Credit Union Atlantic (New Brunswick)
- ACOA

Debt financing shows a rising trend from 2010 to 2012. The increase is due to growth from both caisses populaires and credit union contributions. Caisses populaires debt contributions rose from \$581.2 million to \$730.61 million over two years, which represents 26% growth. The credit unions provided debt of \$71.39 million in 2012, an increase of 9.68% over the previous year and 35.36% over the past two years. Contributions from ACOA* decreased from \$21.34 million to \$17.82 million.

*ACOA's contribution was noted on their website as "Unconditionally Repayable Contributions".

Figure 5.0: Debt financing in the New Brunswick capital markets (\$Mil)



Summary

We have been reporting on New Brunswick's capital markets for four years and our research has shown that our capital markets are greatly influenced by individual, large scale projects. These projects greatly skew the yearly results and have made trend reporting and analysis difficult.

Our reports have shown the significant impact that publicly listed companies, ICT and energy sectors have had on our capital markets. For example, individual energy projects have shown that they can be larger than all other activities combined. ICT currently represents the only area of growth related to number of deals. This can be attributed to the various ICT support organizations that have formed around the province in the past four years.

Our review of M&A involving New Brunswick companies show a healthy M&A environment within the province, supported by New Brunswick companies as well as national and international companies recognizing the value of companies within the province.

The next few years will show if the increase in VC deal flow, the increased activity within the ICT sector and the growing awareness of exempt markets will have an impact on GDP, GDP per capita, and the amount of equity raised in the province as a whole.

The FCSC welcomes discussion and comments on this report. Please contact our Capital Markets Specialist, Jeff Harriman, at Jeff.Harriman@FCNB.ca.

Appendix A – Glossary

- **Accredited investors** - A person or organization, generally wealthy and experienced, who meets established criteria. For specific criteria see [National Instrument 45-106 Prospectus and Registration Exemptions](#).
- **Agriculture, forestry and fishing industry** - Industry sectors of crop production, animal production, forestry and logging, fishing and other related activities.
- **Angel investment** - A monetary or mentoring investment from an individual in a small and/or start-up business.
- **Balanced stage** - Funds whose investment focus has a multi-stage (balanced) focus in venture capital. The funds' investment activities include seed stage, early stage and/or later stage investing, with no particular concentration on either.
- **Bonds** - A bond is a debt instrument. The investor lends money to a borrower (such as a corporation or the government) for a certain period of time. In exchange, the borrower agrees to pay the investor a fixed rate of interest at certain times and to repay the value of the money borrowed (face value) at its maturity date.
- **Capital markets** - These markets bring together the providers and users of capital, the financial products - like stocks (equity capital) and bonds (debt capital) - that make the transfer of capital possible, and the people and organizations that support the process.
- **Common stock** - Securities representing equity ownership in a corporation, providing voting rights, and entitling the holder to a share of the company's success through dividends and/or capital appreciation.
- **Convertible debentures** - A type of loan issued by a company that can be converted into stock by the holder and, under certain circumstances, the issuer of the loan.
- **Debt financing** - Loans derived from institutions such as banks, credit unions, finance companies, portfolio managers, financial funds and insurance companies.
- **Early stage** - Funds that make a majority of their investments in companies that have product development, initial marketing, manufacturing and sales activities already in the testing or production stages. The investments are used by the company to begin production and sales. In some cases, the product may have just been made commercially available and the companies may not yet be generating profits. The companies may be in the process of organizing or they may already be in business for

three years or less. Usually, such firms will have made market studies, assembled the key management, developed a business plan, and are ready to start, or have already started conducting business.

- **Equity investment** - A funding source which refers to the acquisition of equity (ownership) participation in a private (unlisted) company, or buying and holding of shares of stock on a stock market by individuals or firms.
- **Exempt market distributions** - When an issuer sells securities using one of the prospectus exemptions established under securities law.
- **Funding location** - The geographical location of where the venture capital investment being invested into New Brunswick is coming from.
- **Funder type** - The structure of the fund entity.
- **Grant** - A type of fund usually granted by federal and provincial agencies for a specific purpose.
- **Government** - A private equity fund formed by a government agency that raises money from outside investors.
- **ICT** - The Information and communications technology sector.
- **Institutional** - Funds managed inside certain large organizations such as endowments, foundations or pension funds, investment banks, other banking/ financial institutions.
- **Investor location** - The geographical location of the investor who provided the investment.
- **Later stage** - Funds that make a majority of their investments into portfolio companies that have an already established product or service that has already generated revenue, but may not be making a profit. These companies may need capital to grow or expand. The investments are used to increase marketing, production capacity, further product development, etc.
- **Life sciences** - The biotechnology, medical and health care sector.
- **Manufacturing** - The fabrication, processing or preparation of products from raw materials and commodities sector.
- **Mergers and acquisitions** (abbreviated **M&A**) - is an aspect of corporate strategy, corporate finance and management dealing with the buying, selling, dividing and

combining of different companies and similar entities that can help an enterprise grow rapidly in its sector or location of origin, or a new field or new location, without creating a subsidiary, other child entity or using a joint venture.

- **Notes** - A financial security that generally has a longer term than a bill, but a shorter term than a bond.
- **Offering memorandum** - A legal document stating the objectives, risks and terms of investment involved with a private placement. This includes items such as the financial statements, management biographies, detailed description of the business, etc.
- **Other (under the 'industry' category)** - Includes construction, wholesale trade, transportation and warehousing, tourism, utilities, arts, entertainment and recreation sectors.
- **Other (under the 'type of funder' category)** - Investors with an interest in specific private equity deals, but without a permanent market presence, such as angel investors, non-private equity investors.
- **Outstanding debt** - The principal amount of money borrowed, but not yet paid back.
- **Preferred shares** – A class of ownership in a corporation that has a higher claim on the assets and earnings than common shares. Preferred shares generally have a dividend that must be paid out before dividends to common shareholders and they usually don't have voting rights.
- **Private independent** - Funds that make private equity investments and raise a portion or all of its capital from outside investors.
- **Retail** - Funds established with benefit of government tax credits to individuals, such as Labour Sponsored Venture Capital Corporations (LSVCCs).
- **Seed stage** - Funds that make a majority of investments in newly-formed companies, thereby helping a company's founder conduct research leading to development and design of a product or service. This stage involves a relatively small amount of capital and is typically a pre-marketing stage.
- **Services** - An industry sector referring to the following services:
 - professional;
 - scientific and technical;
 - administrative and support;
 - waste management and remediation;
 - accommodation;

- food; and
 - other services not including educational and public administration services.
- **Type of venture capital fund** - The derived or stated investment focus of the fund.
- **Type of funder** - The structure of the fund entity.
- **Units** - A combination of securities or types of securities put together and bought and sold as one.
- **Venture capital investment** - A special form of private equity investment characterized by investment in young, high-growth-potential companies.

Appendix B – Dashboard of New Brunswick capital market’s key indicators (2012)

Funding Source	Industry									2012	2011	% Change
	ICT	Life Sciences	Manufacturing	Energy	Agriculture /Food Service	Mining	Services	Real Estate	Other	Total	Total	
	(\$Mil)	(\$Mil)	(\$Mil)	(\$Mil)	(\$Mil)	(\$Mil)	(\$Mil)	(\$Mil)	(\$Mil)	(\$Mil)	(\$Mil)	
EQUITY INVESTMENT												
Venture Capital by type of funder												
Government	1.55	-	-	-	-	-	-	-	0.50	2.05	0.10	1950.00%
Retail	1.00	0.22	-	-	-	-	-	-	-	1.22	3.04	-59.87%
Private independent	0.05	-	-	-	-	-	-	-	-	0.05	6.40	-99.22%
Other or Individual	1.26	-	-	-	-	-	-	-	1.60	2.86	8.38	-65.87%
Institutional	-	-	-	-	-	-	-	-	2.00	2.00	3.23	-38.08%
Total VC investment	3.86	0.22	-	-	-	-	-	-	4.10	8.18	21.15	-61.32%
Exempt distribution	11.96	0.95	1.25	257.61	-	-	0.33	2.55	6.19	280.84	25.19	1014.70%
Public Market*	-	-	-	-	-	10.00	-	-	13.20	23.20	116.90	-80.15%
Total equity investment	15.82	1.17	1.25	257.61	-	10.00	0.33	2.55	23.49	312.22	163.24	91.26%
MERGER AND AQUISION												
Acquirer	-	-	-	-	150.77	23.73	-	-	2.28	176.78	171.97	2.80%
Acquired by	0.90	7.64	-	7.82	3.62	18.10	-	-	1.12	39.20	361.90	-89.17%
Total M&A	0.90	7.64	-	7.82	154.39	41.83	-	-	3.40	215.98	533.87	-59.54%
GRANTING**												
Provincial Agencies	-	-	-	-	-	-	-	-	-	90.73	157.58	-42.42%
Federal Agencies	-	-	-	-	-	-	-	-	-	59.18	54.13	9.33%
Total Granting	-	-	-	-	-	-	-	-	-	149.91	211.71	-29.19%
Grand total	16.72	8.81	1.25	265.43	154.39	51.83	0.33	2.55	26.89	678.11	908.82	-25.39%
Debt financing***	-	-	-	-	-	-	-	-	-	819.82	761.93	7.60%

*We have showed \$23.20 million separately as public market. This amount was raised by three public companies using the exempt market in 2012.

**We have collected total amount for grants for our analysis as industry breakdown is not available.

*** Debt financing includes information of outstanding loans to New Brunswick business made by caisses populaires, ACOA and Credit Union Atlantic (New Brunswick). For our capital markets analysis we have not incorporated business loans from banks as we cannot obtain the information.

Appendix C - Tables

Table 1.0: Total amount (\$Mil) and number of venture capital investments

Venture Capital Investment	2009	2010	2011	2012
Amount (\$Mil)	33.62	15.68	21.15	8.18
Number of deals	11	11	16	23

Table 1.1: Amount (\$Mil) of venture capital investments by industry sector

Year	Industry (\$Mil)					Total
	ICT	Life Sciences	Manufacturing	Energy	Others	
2009	0.66	10.22	0.54	-	22.20	33.62
2010	15.18	-	-	0.50	-	15.68
2011	15.50	0.40	-	1.15	4.10	21.15
2012	3.86	0.22	-	-	4.10	8.18

Table 1.2: Number of direct capital investments by industry sector

Year	Industry (Number of deals)					Total
	ICT	Life Sciences	Manufacturing	Energy	Others	
2009	2	5	3	-	1	11
2010	9	-	-	2	-	11
2011	10	1	-	2	3	16
2012	18	1	-	-	4	23

Table 1.3: Amount of venture capital investments (\$Mil) by development stage and industry in New Brunswick

Stage of Development	2010				2011				2012			
	ICT	Life Sciences	Energy	Others	ICT	Life Sciences	Energy	Others	ICT	Life Sciences	Energy	Others
Seed	-	-	0.50	-	0.23	-	1.15	0.20	0.61	-	-	-
Early stage	1.52	-	-	-	2.14	0.40	-	-	1.45	-	-	4.10
Later Stage	9.98	-	-	-	13.13	-	-	3.90	1.80	0.22	-	-
Balanced	3.68	-	-	-	-	-	-	-	-	-	-	-
Total	15.18	-	0.50	-	15.50	0.40	1.15	4.10	3.86	0.22	-	4.10

Table 1.4: Number of direct venture capital investments by development stage and industry in New Brunswick

Stage of Development	2010				2011				2012			
	ICT	Life Sciences	Energy	Others	ICT	Life Sciences	Energy	Others	ICT	Life Sciences	Energy	Others
Seed	-	-	1	-	6	-	2	1	5	-	-	-
Early stage	1	-	-	-	3	1	-	-	10	-	-	4
Later Stage	1	-	-	-	1	-	-	2	3	1	-	-
Balanced	5	-	1	1	-	-	-	-	-	-	-	-
Total	7	-	2	1	10	1	2	3	18	1	-	4

Table 1.5: Amount of venture capital invested (\$Mil) by type of funders

Types of Funder	2010				2011				2012			
	ICT	Life Sciences	Energy	Others	ICT	Life Sciences	Energy	Others	ICT	Life Sciences	Energy	Others
Government	-	-	0.50	-	0.10	-	-	-	1.55	-	-	0.50
Private Independent	10.83	-	-	-	6.40	-	-	-	0.05	-	-	-
Retail	3.09	-	-	-	1.69	0.25	1.10	-	1.00	0.22	-	-
Other	1.26	-	-	-	6.83	0.15	-	1.40	1.26	-	-	1.60
Institutional	-	-	-	-	0.48	-	0.05	2.70	-	-	-	2.00
Total	15.18	-	0.50	-	15.50	0.40	1.15	4.10	3.86	0.22	-	4.10

Table 1.6: Venture capital investments (\$Mil) comparison by province

Province	2009	2010	2011	2012
New Brunswick	33.62	15.68	21.15	8.18
Nova Scotia	24.44	8.39	45.32	37.28
Manitoba	9.61	12.06	19.45	31.00
Saskatchewan	11.68	4.02	15.00	53.60
Newfoundland & Labrador	12.10	-	1.49	0.85

Table 1.6.1: Venture capital investments (\$Mil) comparison by type of industry and province

Province	2012						Total
	ICT	Life Sciences	Manufacturing	Energy	Agriculture	Others	
New Brunswick	3.86	0.22	-	-	-	4.10	8.18
Nova Scotia	15.94	7.57	-	11.03	-	2.74	37.28
Manitoba	-	27.00	-	-	-	4.00	31.00
Saskatchewan	1.15	35.93	9.55	5.00	-	1.97	53.60
Newfoundland & Labrador	0.85	-	-	-	-	-	0.85

Table 1.7: Venture capital investments comparison by location of investors (\$Mil)

Investor's Location	Amount (\$Mil)
New Brunswick	6.58
Outside New Brunswick (U.S.)	1.60
Total	8.18

Table 2.0: M&A deals at a glance in New Brunswick in 2012

Total M&A Deals in 2012			
Acquirer Location	Target Location	Amount in (\$Mil)	Number of Deals
Alberta	New Brunswick	3.11	1
British Columbia	New Brunswick	18.84	6
New Brunswick	New Brunswick	28.37	2
New Brunswick	Quebec	2.28	1
New Brunswick	Australian/New Zealand	86.13	1
New Brunswick	Ontario	60.00	1
Ontario	New Brunswick	15.24	5
Quebec	New Brunswick	1.11	1
Unidentified	New Brunswick	0.90	1
Total		215.98	19

Table 2.1: Total amount and number of M&A deals

Year	Total M&A Amount (\$Mil)	Total M&A Number of Deals
2011	533.87	9
2012	215.98	19

Table 2.2: New Brunswick companies acquired other companies and Non-New Brunswick companies acquired New Brunswick companies

Year	Acquirer (\$Mil)	Acquired by (\$Mil)
2011	171.97	361.9
2012	176.78	39.2

Table 2.3: Total amount of M&A deals by acquirer's location

Acquirer Location	2011 (\$Mil)	2012 (\$Mil)
Alberta	-	3.11
British Columbia	0.34	18.84
New Brunswick	171.97	176.78
Ontario	-	15.24
Quebec	11.56	1.11
U.S.	350.00	-
Unidentified	-	0.90
Total	533.87	215.98

Table 2.4: Number of M&A deals by acquirer's location

Acquirer Location	2011	2012
Alberta	-	1
British Columbia	2	6
New Brunswick	5	5
Ontario	-	5
Quebec	1	1
U.S.	1	-
Unidentified	-	1
Total	9	19

Table 2.5: Total amount of M&A deals by industry

Industry	2011 (\$Mil)	2012 (\$Mil)
Energy	-	7.82
Food Service	-	154.39
Healthcare	-	7.63
ICT	350.00	0.90
Mining	108.03	41.84
Agriculture & Livestock	75.84	-
Others	-	3.40
Total	533.87	215.98

Table 2.6: Number of M&A deals by industry

Industry	2011	2012
Energy	-	1
Food Service	-	5
Healthcare	-	1
ICT	1	1
Mining	6	9
Agriculture & Livestock	2	-
Others	-	2
Total	9	19

Table 2.7 Amount of M&A deals (\$Mil) by location and industry (2012)

Location	Energy	Food Service	Healthcare	ICT	Mining	Other	Total
Alberta	-	-	-	-	3.11	-	3.11
British Columbia	7.82	-	-	-	11.02	-	18.84
New Brunswick	-	150.77	-	-	23.73	2.28	176.78
Ontario	-	3.62	7.64	-	3.98	-	15.24
Quebec	-	-	-	-	-	1.11	1.11
Unidentified	-	-	-	0.90	-	-	0.90
Total	7.82	154.39	7.64	0.90	41.84	3.39	215.98

Table 3.0: Exempt markets distributions

2010		2011		2012	
Amount (\$Mil)	# of Issuers	Amount (\$Mil)	# of Issuers	Amount (\$Mil)	# of Issuers
185.71	20	25.19	20	304.04	39

Table 3.1: Exempt markets distributions (\$Mil) by type of securities (2012)

Type of Securities	New Brunswick	Non-New Brunswick	Total
Common shares	6.89	16.29	23.18
Notes	0.30	257.60	257.90
Unites	0.57	11.72	12.29
Preferred shares	0.90	0.68	1.57
Convertible debentures	-	5.50	5.50
Debentures	-	1.10	1.10
Bonds	1.02	1.47	2.50
Total	9.68	294.36	304.04

Table 3.2: Exempt market distribution (\$Mil) by types of investors (2012)

Type of Investors	New Brunswick	Non-New Brunswick	Total
Minimum amount investments	0.26	-	0.26
Employees, Executive Officers, Directors and Consultants	0.08	0.13	0.20
Accredited Investors	5.02	293.41	298.42
Private Issuers	3.09	0.03	3.12
Family, Friends & Business Associates	0.84	0.71	1.55
Offering Memoranda	0.39	0.08	0.47
Total	9.68	294.36	304.04

Table 3.3: Exempt markets distributions (\$Mil) by investor's location and industry

Investor Location	ICT	Life Sciences	Manufacturing	Mining	Services	Real Estate	Energy	Others	Total
Canada									
Alberta	-	0.08	-	0.36	-	-	-	-	0.44
BC	-	-	-	0.08	-	-	-	-	0.08
Manitoba	-	-	-	-	-	-	13.04	-	13.04
New Brunswick	6.33	0.82	0.43	0.4	0.33	1.09	-	0.28	9.68
Nova Scotia	3.29	-	0.08	0.07	-	0.03	-	5.5	8.97
Ontario	2.22	0.02	0.74	8.5	-	0.4	31.09	13.19	56.16
PEI	-	-	-	-	-	0.13	-	-	0.13
Quebec	0.06	-	-	0.58	-	0.9	-	-	1.54
Saskatchewan	-	-	-	0.01	-	-	-	-	0.01
Yukon	-	0.03	-	-	-	-	-	-	0.03
Total Canada	11.90	0.95	1.25	10	0.33	2.55	44.13	18.97	90.08
USA									
<i>Florida</i>	0.05	-	-	-	-	-	-	-	0.05
<i>Hartford</i>	-	-	-	-	-	-	9.11	-	9.11
<i>Dallas</i>	-	-	-	-	-	-	34.82	-	34.82
<i>Charlotte</i>	-	-	-	-	-	-	51.21	-	51.21
<i>Illinois</i>	-	-	-	-	-	-	11.03	-	11.03
<i>New York</i>	-	-	-	-	-	-	8.03	-	8.03
<i>New Heaven/CT</i>	-	-	-	-	-	-	16.04	-	16.04
<i>Boston</i>	-	-	-	-	-	-	30.08	-	30.08
<i>Nebraska</i>	-	-	-	-	-	-	10.03	-	10.03
<i>Louisiana</i>	-	-	-	-	-	-	3.01	-	3.01
<i>Massachusetts</i>	-	-	-	-	-	-	5.01	-	5.01
<i>Tennessee</i>	-	-	-	-	-	-	35.10	-	35.10
<i>San Pedro</i>	-	-	-	-	-	-	-	0.21	0.21
<i>Hollywood</i>	-	-	-	-	-	-	-	0.21	0.21
Total USA	0.05	0	0	0	0	0	213.48	0.42	213.95
South Africa	0.01								0.01
Grand Total	11.96	0.95	1.25	10.00	0.33	2.55	257.61	19.39	304.04

Table 4.0 Federal and provincial grants in New Brunswick

Funding Organization	2010 (\$Mil)	2011 (\$Mil)	2012 (\$Mil)
Federal agencies	73.50	54.13	59.18
Provincial agencies	111.78	157.58	90.73
Total	185.28	211.71	149.91

Table 4.1: Provincial Grants in New Brunswick

Funding Organization	2010 (\$Mil)	2011 (\$Mil)	2012 (\$Mil)
Department of Economic Development	96.10	107.60	51.30
Regional Development Corporation (RDC)	13.40	48.16	38.14
NBIF	2.28	1.82	1.29
Total	111.78	157.58	90.73

Table 4.2: Federal grants in New Brunswick

Funding Organization	2010 (\$Mil)	2011 (\$Mil)	2012 (\$Mil)
NRC-IRAP	12.39	5.70	16.29
NSERC	22.44	12.04	7.14
CFI	6.75	0.90	0.22
SDTC	8.00	7.00	8.00
CIHR	1.75	0.63	0.14
SSHRC	2.00	1.50	1.50
ACOA	20.16	26.37	25.89
Total	73.49	54.14	59.18

Table 5.0: Debt financing of business clients

Funding organization	2010 Outstanding (\$Mil)	2011 Outstanding (\$Mil)	2012 Outstanding (\$Mil)	Change from 2010 to 2011	Change from 2011 to 2012
Caisses populaires (New Brunswick)	581.20	675.50	730.61	16.23%	8.16%
ACOA	18.28	21.34	17.82	16.74%	-16.49%
Atlantic Credit Unions	52.74	65.09	71.39	23.42%	9.68%
Total	652.22	761.93	819.82	16.82%	7.60%

Appendix D – Types of lending organizations

Caisses populaires

Caisses populaires's contribution in debt financing increased by 8.16% from \$675.50 million in 2011 to \$730.61 million in 2012. New loan issued were \$272.36 million which represents 46.30% growth. Construction/Real Estate sector received largest amount of loans of \$225.58 million followed by life sciences \$190.81 million, Agriculture \$117.18 million, others \$111.05 million, services \$63.45 million, manufacturing \$19.94 million and ICT \$2.60 million.

Table 6.0: Amount of outstanding loans

Year	Outstanding Loans (\$Mill)
2010	581.20
2011	675.50
2012	730.61

Table 6.1: Loans as of January 1st 2012 and newly-issued loans in 2012

Loan Type	2011 Outstanding (\$Mil)	2012 Outstanding (\$Mil)	% Change
New	186.16	272.36	46.30%
Old	489.34	458.25	-6.35%
Total	675.50	730.61	8.16%

6.2: Outstanding loans (\$Mil) by industry (2012)

Industry	2011 Amount	2012 Amount
Agriculture	101.10	117.18
Construction/Real estate	195.50	225.58
ICT	1.70	2.60
Life sciences	129.80	190.81
Manufacturing	21.50	19.94
Services	65.80	63.45
Others	160.10	111.05
Total	675.50	730.61

Credit Union Atlantic (New Brunswick)

In 2012 Credit Union Atlantic (CUA) contributed \$71.39 million by debt financing which represented 9.68% growth compared to previous year.

7.0: Outstanding loans

Outstanding Loans (\$Mil)		% Change
2010	52.74	N/A
2011	65.09	23.42
2012	71.39	9.68

Atlantic Canada Opportunities Agency (ACOA)

In 2012 ACOA contributed total \$43.71 million to 202 provincial companies among which \$17.82 million was loans and \$25.89 million was grants. Similar to previous years, the majority of funds (\$29.55 million) were given to Business Development Program.

8.0: Grants and loans by project type

Project Types	(\$Mil)
AIP II	4.13
Atlantic Innovation Fund (AIF) - II	2.75
Business Development Program	29.55
ICF	4.49
Industrial Diversification Program	2.79
Total	43.71

8.1: Grants and loans by assistance type

Assistance Types	(\$Mil)
Unconditionally Repayable Contributions	17.82
Non-Repayable Contributions	14.61
Conditionally Repayable Contributions	11.28
Total	43.71

8.2: Amount and number of grants deal by industry (2012)

Industry Sector	Amount (\$Mil)	Number Of Companies
Agriculture/Fisheries	12.89	46
ICT	2.47	25
Manufacturing	15.40	73
Energy	0.23	2
Life sciences	0.47	7
Education	5.00	9
Provincial/Local agency/Town	3.79	25
Others	3.46	15
Total	43.71	202

Appendix E – Source list

Table 1.0 – Table 1.7

Source: Thomson Reuters

Table 2.0 – 2.7

Source:

1. Thomson Reuters
2. Public information sources

Table 3.0 – Table 3.3

Source:

1. Regulatory filing made to Financial and Consumer Services Commission, New Brunswick
2. East Valley Ventures

Table 4.0 – Table 4.2

Federal agencies

Sources:

1. Atlantic Canada Opportunities Agency (ACOA), project information site
2. National Research Council-IRAP (NRC-IRAP), proactive disclosure information site
3. Natural Sciences and Engineering Research Council of Canada (NSERC), proactive disclosure information site
4. University of New Brunswick (UNB), Research Annual Report
5. Sustainable Development Technology Canada (SDTC), portfolio information site

Provincial agencies

Sources:

1. Business New Brunswick Annual Report 2012
2. New Brunswick Innovation Foundation (NBIF)
3. Regional Development Corporation (RDC) Annual Report 2012

Table 5.0

Source:

1. Direct information from caisses populaires (New Brunswick)
2. Atlantic Canada Opportunities Agency (ACOA), project information site
3. Direct information from Atlantic Credit Unions

Table 6.0 – Table 6.2

Caisses populaires (New Brunswick)

Source: Fédération des caisses populaires acadiennes

Table 7.0

Atlantic Credit Unions

Source: Credit Union Atlantic

Table 8.0 – 8.2

Atlantic Canada Opportunities Agency (ACOA)

Source: Atlantic Canada Opportunities Agency (ACOA), project information site