



New Brunswick Capital Markets Report 2015

October 2015

Financial and Consumer
Services Commission

FCNB.CA

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Acknowledgement

The Financial and Consumer Services Commission (FCNB) wishes to acknowledge the significant contribution to this report by Afsana Hossain Shuchi, MBA candidate at the University of New Brunswick (UNB), Saint John Campus.

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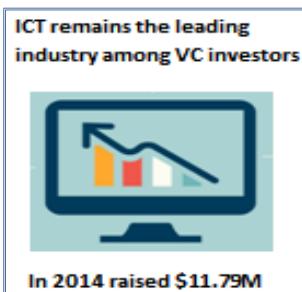
Executive Summary

The Financial and Consumer Services Commission (FCNB) is publishing the New Brunswick Capital Markets Report 2015 edition. The objectives of the report are twofold: to present a clear picture of the activity in New Brunswick's capital markets and to provide a tool to analyze capital markets trends. Building on our previous reports we continue to enhance our research and reporting by incorporating new and relevant information on capital markets activities. Our goal is to provide stakeholders with a single source for in-depth analysis of our capital markets. We are pleased to include data regarding the \$24.51 million invested by New Brunswick individuals and organizations that helped fund New Brunswick companies in 2014.

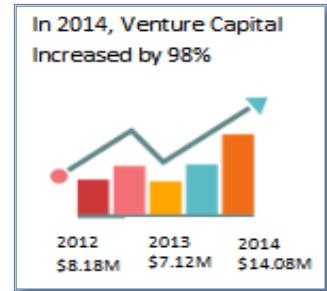
We have been reporting on New Brunswick's capital markets for over five years and our analysis continues to show that our capital markets are influenced by individual, large scale projects. These projects can skew yearly results however, longer-term trends become visible when we view data collected over the years. Our primary analysis for the report remains a year-over-year comparison, we have provided a section in this report highlighting trends that have developed over the past five years.

Highlights Include:

Venture capital (VC) remains a valuable part of New Brunswick's capital markets. New Brunswick companies have been able to attract more VC deals and at the same time increase the average size of these deals from \$0.47 million in 2013 to \$0.64 million in 2014. These deals were generated by both early and later stages



companies. This suggests that the investments over the past few years have translated into companies growing and requiring larger scale investments.



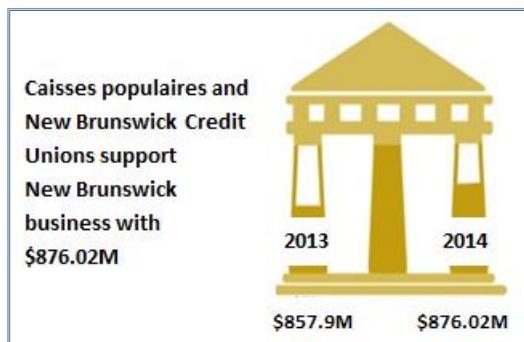
Information and communication technology (ICT) continues to be the leading sector in attracting capital. This year ICT companies attracted VC deals worth approximately \$12 million. Additional VC activity included two investments within the manufacturing (MFG) sector.

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New Brunswick VC results remain relatively strong when compared to similar-sized provinces, with only Saskatchewan and Newfoundland and Labrador receiving more VC funding. New Brunswick had the highest number of individual deals.

Mergers and acquisitions (M&A) rebounded in 2014 as \$372.02 million worth of deals were completed. The number of deals also increased in 2014. The largest deals were noted in the agriculture/food services sector.

New Brunswick companies were active acquiring other companies worth \$266.20 million. The size of individual deals continues to grow as we noted one deal worth over \$224 million in the agriculture/food services sector.



Debt financing remains a favourite among New Brunswick companies. We have seen continuous growth in debt financing over the last five years with the caisses populaires and the credit unions providing increased lending. Debt financing from New Brunswick financial institutions increased by 2% compared to 2013.

Exempt market activity dropped significantly, with the energy sector being relatively inactive versus previous years. Accredited investors account for the majority of funds raised, and we have seen growth in the use of the family, friends and business associate exemption. Exempt funds were raised primarily for the ICT sector.

There was limited public market activity in 2014 with a total of \$11.29 million raised. The majority of funds raised related to an exempt filing by a new NB company listing on the TSX Venture exchange.



Introduction

In 2005, the New Brunswick Securities Commission, now the Financial and Consumer Services Commission (FCNB), established its Fullsail initiatives to help foster capital markets in the province. Fullsail activities include programs to educate capital markets participants, engage stakeholders and consultants, as well as conduct research into the province's capital markets. This annual study is meant to provide a platform for engagement and discussion among stakeholders pertaining to further development of New Brunswick's capital markets.

Purpose and Scope of the Report

The purpose of the 2014 capital markets report is to provide an analysis of the trends, sources, sizes and types of the capital inflows to help stakeholders with their strategic decisions. Building upon the research contained in our previous reports, this report provides a thorough description of the current capital funding landscape and the overarching trends of the capital markets in the province.

The report provides capital markets stakeholders a view of how New Brunswick companies are raising money to fund their operations, as well as the level of funding in the province. It also provides an overview of the changes in funding within the province over time.

The report provides a comparison of funding amounts among like-sized provinces in Canada; we examine each sector of the capital markets to identify growing and declining areas.

This report includes the following markets:

- Venture capital (VC)
- Merger and acquisition (M&A)
- Exempt markets
- Grant funding
- Debt financing

In this report, we analyze the above mentioned markets from multiple angles. We provide capital markets' stakeholders a practical overview of how New Brunswick companies have been raising money

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to fund their businesses over the years. The comparison among provinces' capital markets provides funding investment trends over time. This report focuses on the following areas:

- Which geographic regions provide funding to New Brunswick businesses?
- The types of organizations that 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?

Included in this report is a discussion on crowdfunding, new electronic filing requirements for issuers and changes to the rules surrounding prospectus and registration exemptions.

Methodology

The research methods used for this report include reviewing custom reports, regulatory filings, published documents and interviews with stakeholders and Thomson Reuters. See Appendix G for a list of data sources.

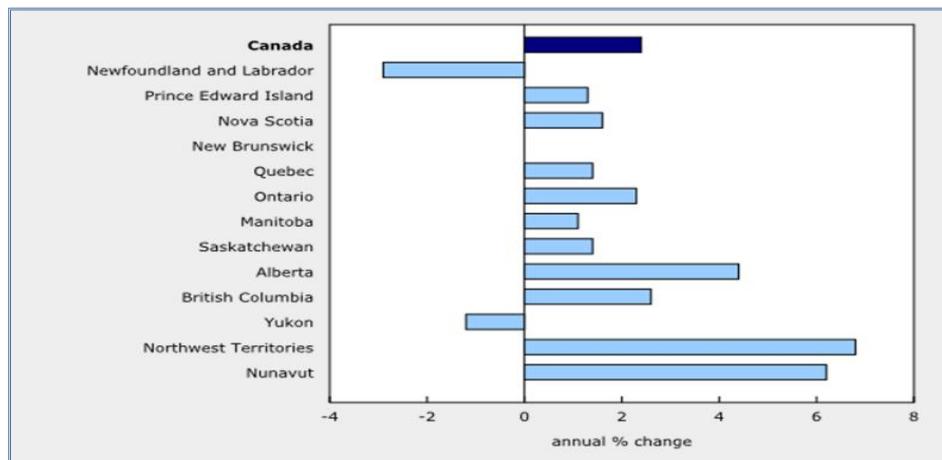
New Brunswick's Capital Markets

The development of the capital markets in New Brunswick continues to have its challenges as there are hindrances and external factors that impact these markets. From previous years' analysis, we found that one hindrance is the lack of significant catalyst for economic growth. In New Brunswick, as noted in Chart 1, GDP was unchanged in 2014 after contracting 0.6% in 2013. There were mine closures during the year which impacted the mining and energy extraction sector which declined by 10%. We also saw positive results, with increases in the manufacturing of seafood products, meat products, wood products and non-metallic mineral products. Electric power generation, transmission and distribution increased 4.9%, while construction output decreased 1.6%.¹

¹ <http://www.statcan.gc.ca/daily-quotidien/150428/dq150428a-eng.htm>

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Chart 1: Real Gross Domestic Product, 2014

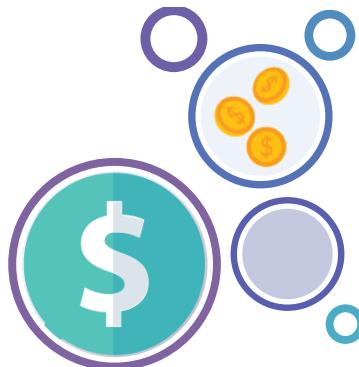


While Canada had positive growth in 2014, New Brunswick continues to fall behind. Newfoundland and Labrador, Yukon and New Brunswick were the only provinces or territories that did not have an increase in GDP in 2014.

New Financing Option

In May 2015 FCNB approved rules allowing equity-based crowdfunding in New Brunswick. These rules provide start-ups and early-stage companies the ability to sell their shares and other eligible securities through approved crowdfunding portals, subject to certain conditions. The new rules will allow start-ups to raise as much as \$500,000 a year, though no more than \$250,000 in a single campaign.² Equity Crowdfunding differs from current crowd funding models that allow individuals to either pre-sell a product or raise money for a project or cause. The activity level of this financing option will be tracked and included in future Capital Markets Reports.

Individuals can invest a maximum of \$1,500 in each campaign and they will have the right to pull out within 48 hours of making their commitment.



New Brunswick is one of six provinces that announced they will allow entrepreneurs to raise equity capital through crowdfunding.

Crowdfunding occurs when someone asks the public to help fund their project or company. It can be provided by: donation, product pre-ordering, a loan, or in exchange for a reward, and with these new regulations selling equity shares, debt or other eligible securities in an issuer.

Prior to 14 May 2015 Equity crowdfunding existed in Canada, however it was limited to accredited investors (also known as angel investors) and certain issuers from Saskatchewan. The objective of these rules is to allow issuers access to a broad range of potential investors and equity crowdfund through a portal or website.

Kickstarter allows for pre-purchase and donation based crowdfunding and has reportedly received more than \$1.5 billion in pledges from 7.8 million backers to fund 200,000 creative projects. Indiegogo runs on a rewards-based system, meaning donors, investors, or customers who are willing help to fund a project or product can donate and receive a gift, rather than an equity stake in the company.

² http://fcnb.ca/newsroll.html?fb_31915481_anch=35278669

Exempt market: Transitioning to electronic filings via SEDAR

Recent proposed amendments by the Canadian Securities Administrators (CSA) would require exempt market filings currently submitted in paper format with the FCNB to be filed electronically through the System for Electronic Document Analysis and Retrieval, (SEDAR).

Using SEDAR provides the following benefits:

- filings in multiple jurisdictions through one electronic submission
- filings of reporting and non-reporting issuers kept in one location under a SEDAR profile
- streamlined process for verifying accuracy and completeness of filing records

These changes will provide easier access to information related to New Brunswick capital markets and provide additional information to help compare our progress to those provinces of similar economic size.

Full details of the proposal can be found at http://www.nbsc-cvmnb.ca/nbsc/uploaded_comment_files/13-101-CSAN-2015-06-30-E.pdf

Elimination of the \$150,000 capital raising exemption and other regulatory changes

FCNB changed the rules that permit businesses to raise capital without issuing a prospectus. A noteworthy change was the elimination of the \$150,000 minimum amount exemption. Through our research we noted this particular exemption was rarely used in New Brunswick and its elimination is unlikely to significantly impact our capital markets.

FCNB also clarified the responsibility of an issuer to confirm that a potential investor qualifies under the exemption the issuer is relying upon to relieve the obligation to deliver a prospectus. Issuers and their advisors should review all the changes, please refer to NI 45-106 Prospectus Exemptions <http://www.nbsc-cvmnb.ca/nbsc/rules.jsp?id=4> for full requirements.

New Brunswickers Investing in New Brunswick

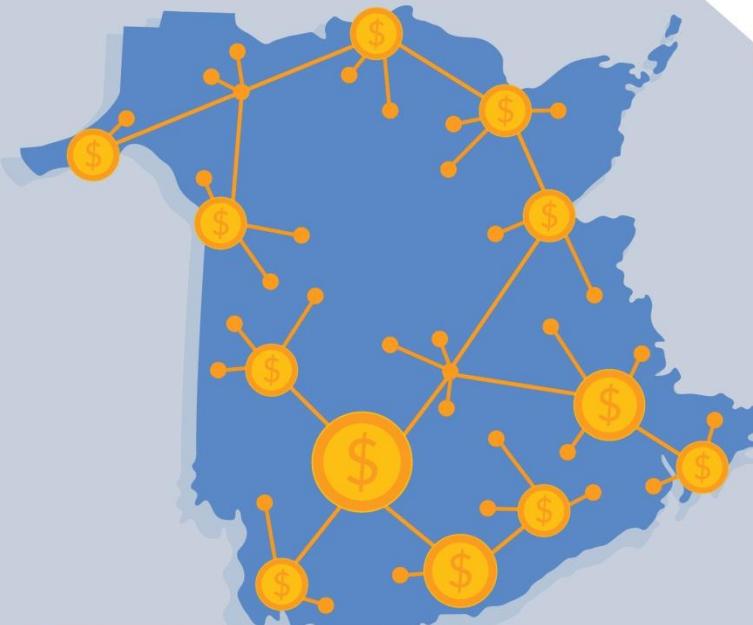
New Brunswickers have always been supporters of local companies. Our data does not capture all activities in the province; it captures the activity reported to our various sources. Our research shows that over \$24.51 million was raised, excluding grants and debt. Highlights include:

- Individuals invested a total of \$14.83 million in New Brunswick private companies utilizing the Small Business Investor Tax Credit program (SBITC)
- Venture capital firms within the province invested \$4.50 million
- Angel investors, individuals and other companies using exempt markets provided \$5.18 million
- Two merger and acquisition deals involved New Brunswick companies purchasing other New Brunswick companies
- Accelerators played an active role in the New Brunswick capital markets

Accelerators work closely with the start-up community. While each accelerators has their own unique goals and mandates, start-ups (also known as cohorts) typically can receive office space, mentorship and a unique opportunity to learn from some of New Brunswick's best mentors and entrepreneurs. New Brunswick accelerators include; Planet Hatch, Propel ICT and the McKenzie Accelerator. Over 25 companies graduated from these programs from the fall of 2013 through 2014.

DASHBOARD- New Brunswickers Investing in New Brunswick

Are New Brunswickers Investing in New Brunswick?



New Brunswick Acquisitions

2

Merger and Acquisition deals have been finalized in New Brunswick in 2014.



\$118.90 million
Increase for acquirers

\$147.30 million in 2013
to \$266.20 million in 2014



\$75.42 million
Increase for those acquired

\$30.40 million in 2013
to \$105.82 million in 2014

New Brunswick Investments

\$24.51 million

Total equity investment
(within NB)

Who's Investing?

\$14.83 million
Individual investors

\$4.50 million
Venture capital

\$5.18 million
Angel investors

Government Support through Capital Programs



\$4.45 Million
was provided by
Small Business
Investor Tax Credit
(SBITC)



60
approved SBITC
applications



\$85.99 million
in federal grants



\$19.29 million
in provincial grants

Analyzing Five Years of Data Collection: 2010-2014

Equity financing was trending upward until 2014 when we noted a significant decrease due to limited activity in the exempt markets and the public markets. The majority of the funding that did occur flowed into the ICT sector. In 2014 we note a first since our reporting began, the equity markets provided funding to the manufacturing sector. Funding was provided primarily by accredited investors. The largest deals were funded through the issuance of notes; however, the majority of companies issued common and preferred shares.

Venture capital financing peaked in 2010 and 2011 with \$15.68 million and \$21.15 respectively, followed by a drop in 2013 to \$7.12 million, and then rebounding in 2014 to \$14.08 million. Additionally, the trend for a larger number of deals continues, peaking at 23 in 2012 and remaining active in 2014 with 22 deals signed. Until 2014, early-stage ICT companies were the primary benefactors of VC. In 2014 later-stage companies also received funds from investors.

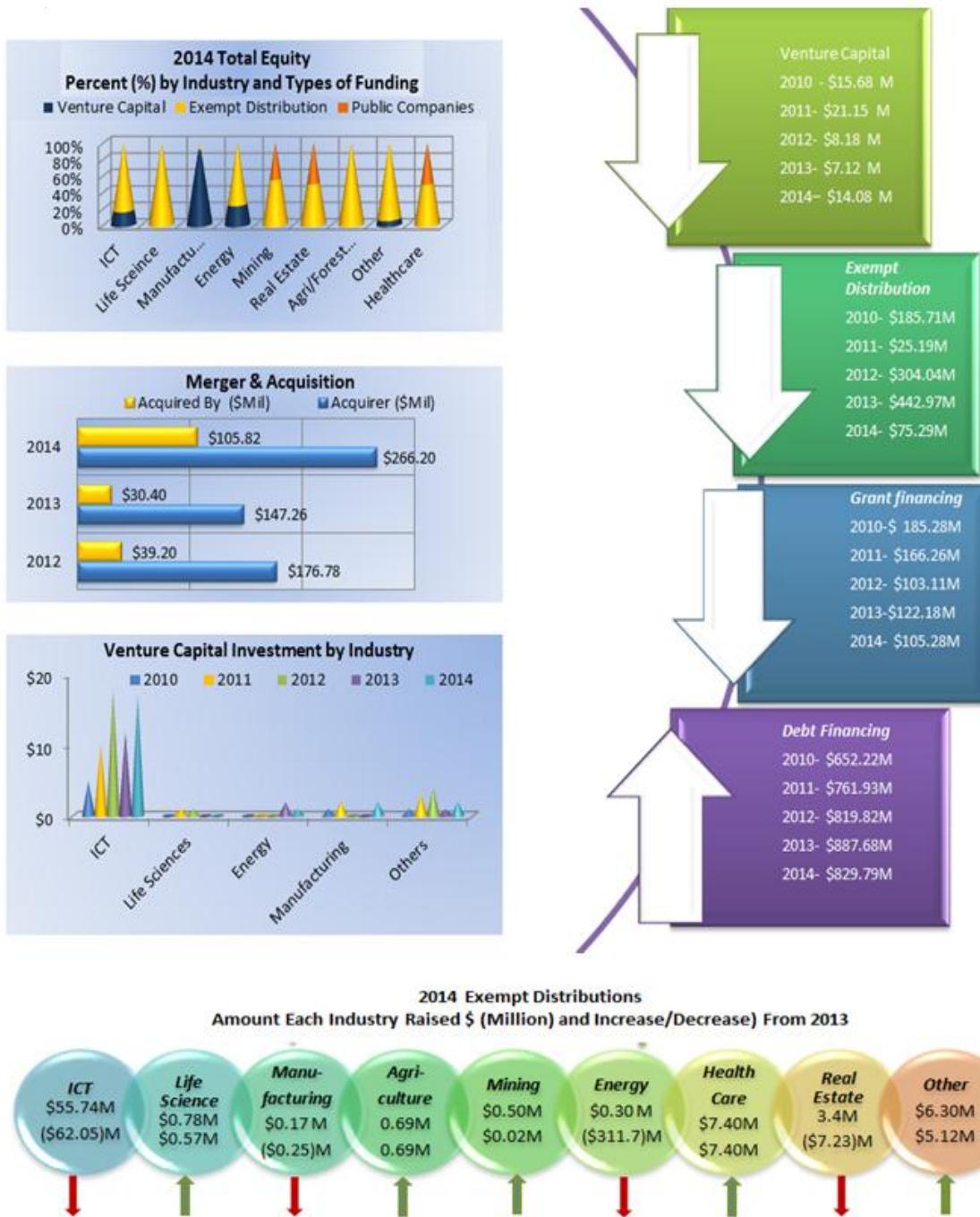
Merger and acquisition (M&A) activity peaked in 2011 with over \$533 million in deals. The past three years have trended lower: in 2013 there were 17 M&A deals worth \$177.70 million; in 2014, 23 deals were worth \$372.02 million. M&A activity is dominated by large individual deals, but the sheer size and number of deals in the past four years demonstrates an active market for both New Brunswick companies expanding and companies from outside the region finding companies to acquire within New Brunswick.

Exempt markets activity is affected greatly by the energy sector. Starting in 2010, exempt distribution totalled \$185.71 million with an increase to \$434.89 million in 2013, the majority being raised within the energy sector. In 2014, this type of capital raising dropped to \$75.28 million with almost no energy deals. The number of issuers has been fluctuating over the years, peaking in 2012 with 29 companies raising funds, and dropping to 19 companies in 2014.

Debt financing provided by New Brunswick-based institutions has grown every year since 2011. Debt financing in all sectors, excluding energy, remains the preferred method for raising funds. Growth has occurred in both the credit unions and the caisses populaires. It is important to note that information for the chartered banks is not available at a provincial level.

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DASHBOARD- New Brunswick Capital Market Performance - 5 Year (2010-2014)



Venture Capital (VC) Investments in New Brunswick's Capital Markets:

Venture capital (VC) investments have seen fluctuations over the years. Our research has shown that the dollar amount of VC investments have been relatively small, however the number of deals exceeds other provinces of similar size within Canada. This year that trend continues and there were notably larger deals within the ICT sector. This trend comes more into focus as we compare the average size deal from 2012 to 2014, which increased from \$0.36 million to \$0.64 million.

A significant deal worth \$3.90 million along with some smaller deals led the ICT sector to comprise 84% or \$11.79 million of the total VC investments of \$14.08 million. This year, the energy sector represents a smaller proportion of total VC investment. Investment in this sector, which was \$1.87 million in 2013, dropped down to \$0.10 million in 2014. The Manufacturing sector had two deals worth \$1.67 million in 2014.

Figure 1.0 illustrates the number of deals and VC investment for the last three years. VC investment increased significantly in 2014 to 22 deals worth \$14.08 million, which represents a 47% increase in the number of deals and a 97% increase in the amount of VC investments.

Figure 1.0: Amount (\$M) and Number of VC Investment

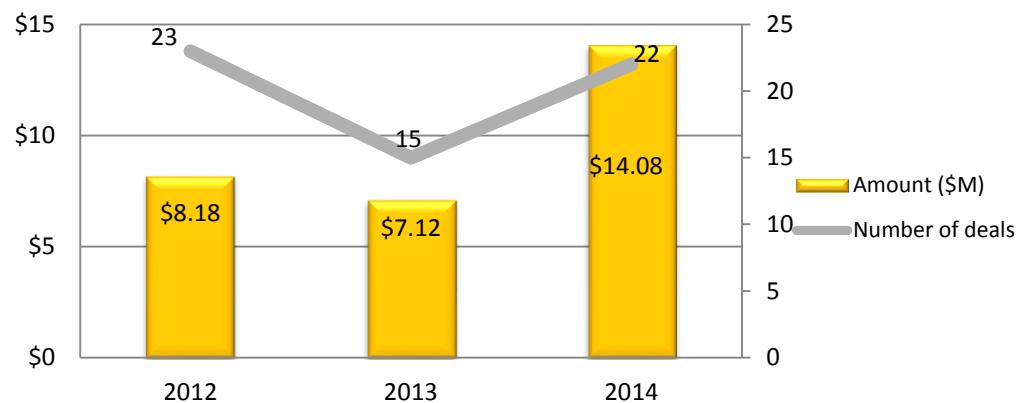


Figure 1.1 illustrates the amount of investments by industry sector over the last three years. Investment in ICT continues to increase, and in 2014 it reached \$11.79 million, the highest reported in the past three years. VC investors were concentrating their investments in the ICT and energy sectors; however, in 2014 manufacturing was also able to attract capital from the investors.

Figure 1.1: Amount (\$M) of VC investments by Industry Sector

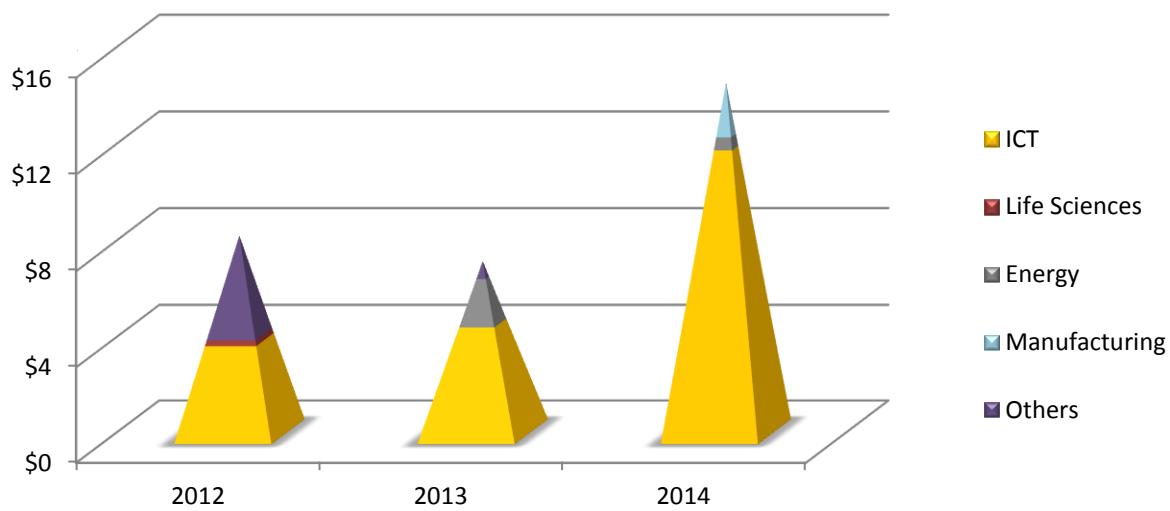
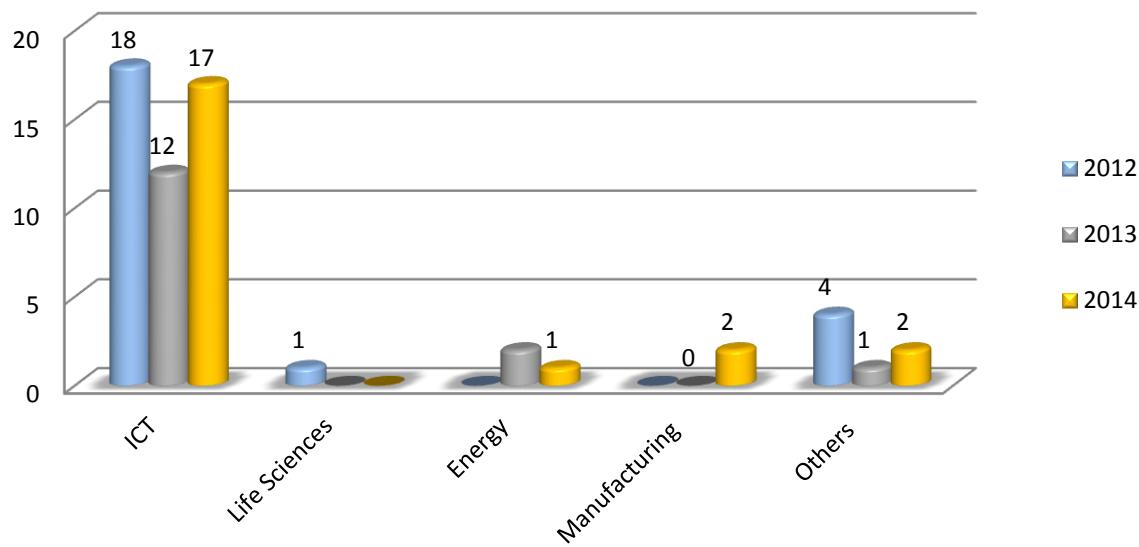


Figure 1.2 illustrates the number of direct investments from 2012 to 2014. Our research confirms the majority of VC deals were in the ICT sector in 2014. This year the manufacturing sector is also experiencing investments.

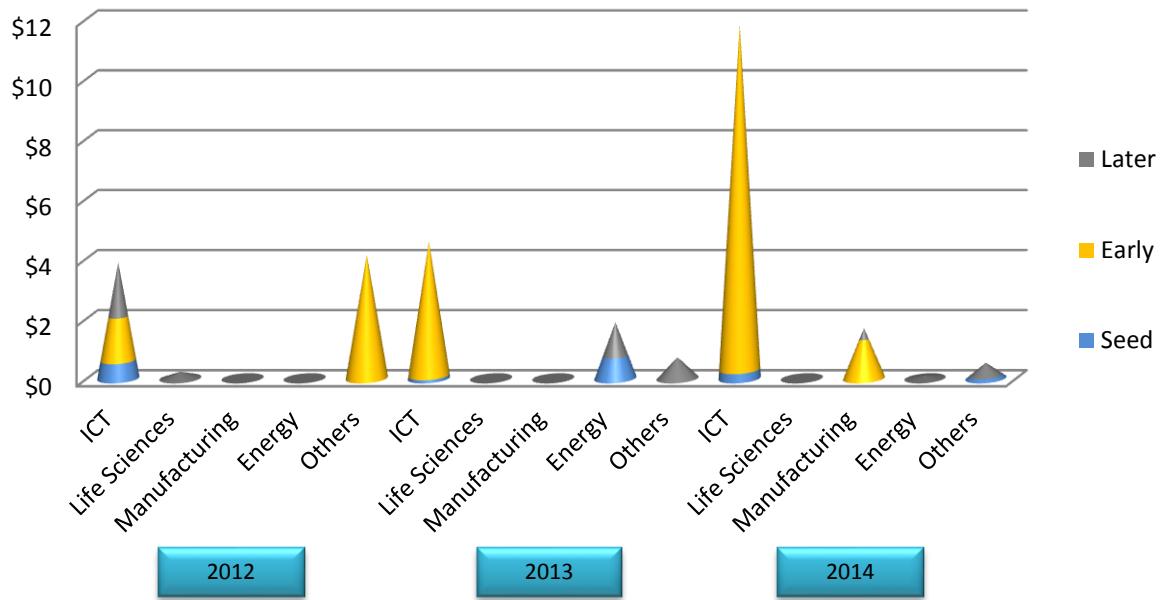
Figure 1.2: Number of direct VC investments by Industry Sector



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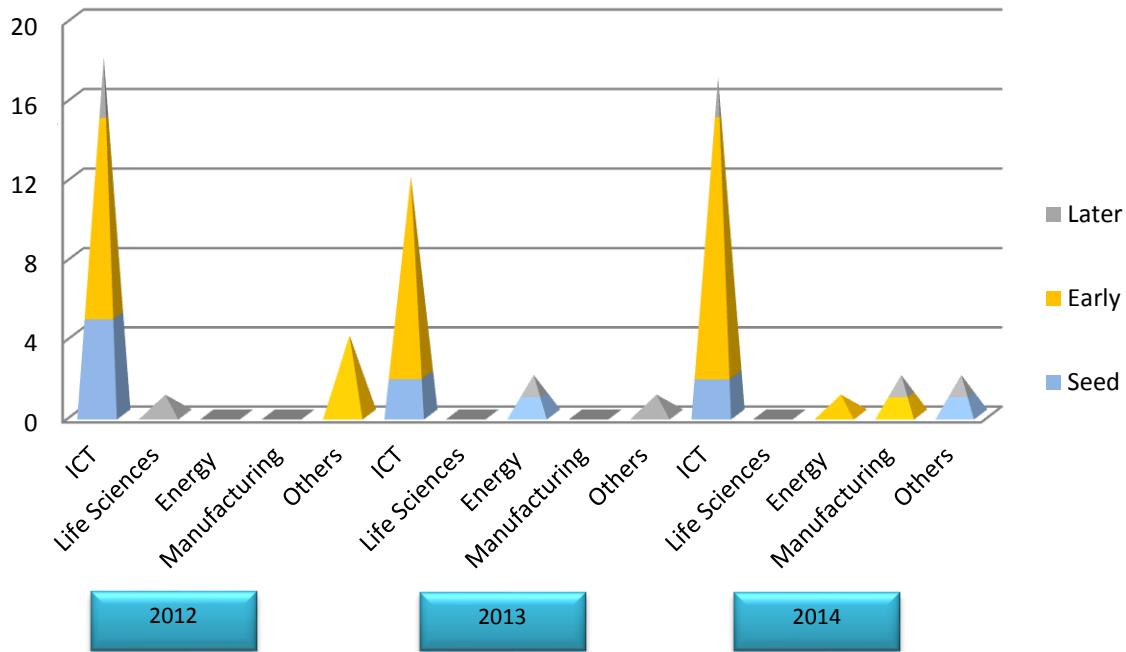
In 2014, the number of deals covers not only the start-up community but also seed and later stage companies. Figures 1.3 and 1.4 demonstrate the investments and deals that occurred in the various stages over the last three years. Increasing from previous years, 2014 saw a significant amount of deals and investment in early-stage companies, to the amount of \$12.69 million. Compared to 2013, investment in seed and later-stage companies decreased from \$2.76 million to \$1.39 million in 2014.

Figure 1.3: Amount of VC investments (\$M) by Development Stage and Industry Sector



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Figure 1.4: Number of VC investments by Development Stage and Industry

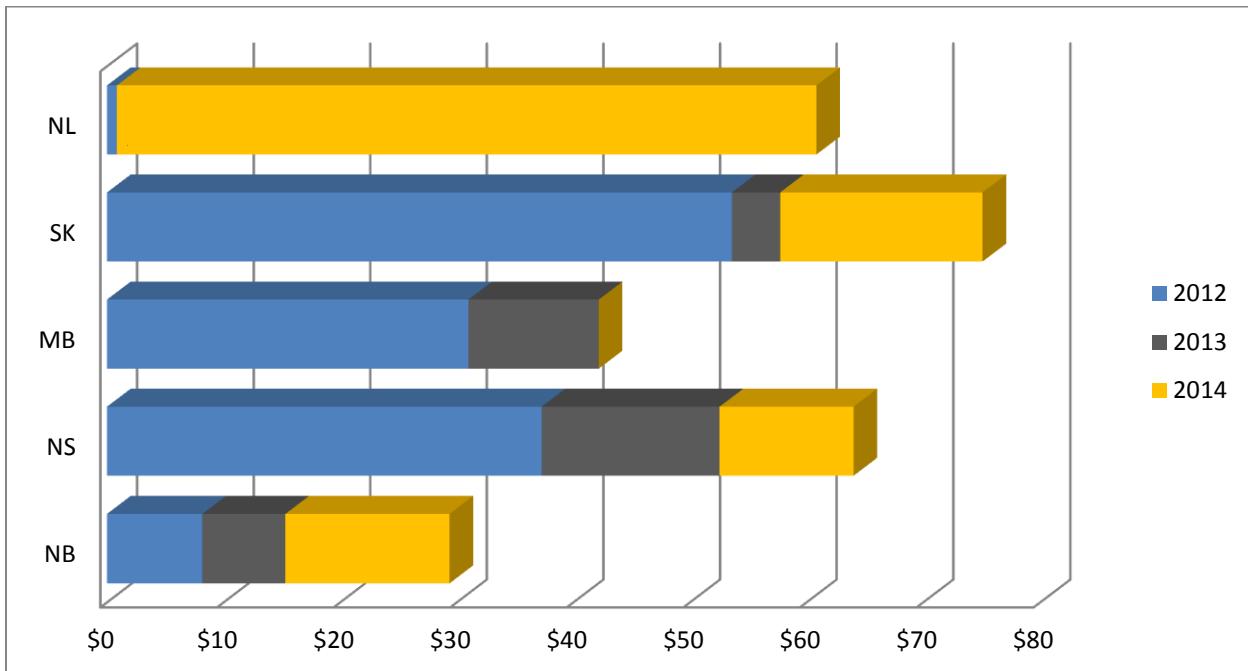


We reviewed VC investment among provinces that have capital markets similar to New Brunswick's capital markets, both in respect to size and the nature of investment activity.

Figure 1.5 shows the accumulation of VC investments over the past three years in various provinces. Though New Brunswick consistently receives a larger number of deals, the lack of one large deal puts its overall raise behind that of the other provinces. In 2014 New Brunswick (NB) received the third highest amount (\$14.08 million) of investment with the largest number of deals (22) in 2014. Newfoundland and Labrador (NL) had the highest amount of investment, \$60.00 million through two deals. Saskatchewan (SK) and Nova Scotia (NS) are in second and fourth position with \$17.34 million and \$11.49 million respectively. Manitoba's (MB) and Nova Scotia's investments decreased in 2014 while Saskatchewan experienced a substantial amount of investment with a total of six deals.

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Figure 1.5: VC Investments (\$M) Comparison by Province



Mergers and Acquisitions in New Brunswick's Capital markets

Mergers and acquisitions (M&A) play an important role in understanding the economic situation of New Brunswick's capital markets. The information collected on M&A was researched by Thomson Reuters, and provided to us by Alacra Inc., and it was supplemented by our own research. The total value of M&A in 2014 was \$372.02 million with 23 deals. This amount includes \$266.20 million invested by New Brunswick companies to acquire companies outside of the region. The remaining \$105.82 million came from companies located outside of New Brunswick acquiring New Brunswick companies. There was an increase this year in the amount and number of deals for M&A investment compared to previous years.

Figure 2.0 illustrates M&A activity from 2012-2014. While the M&A amount was \$215.98 million in 2012, it dropped to \$177.70 million in 2013.

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Figure 2.0: Comparison of M&A Deals (\$M) and Number of Deals

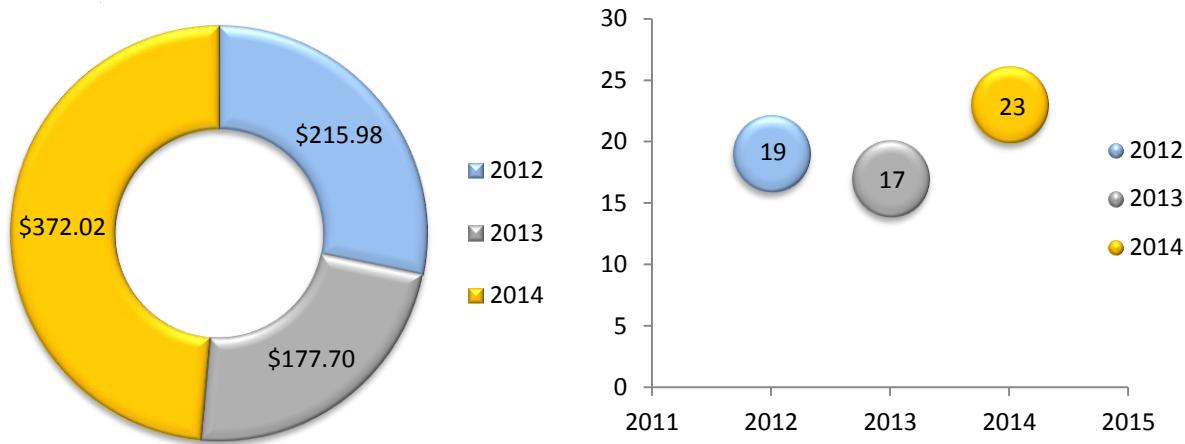
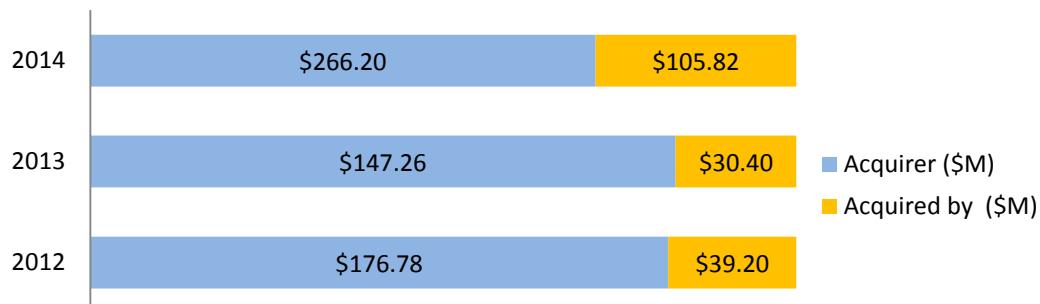


Figure 2.1 shows the amount of M&A deals by comparing the acquisitions made by New Brunswick companies and the New Brunswick companies that were acquired. Six of these deals were related to New Brunswick companies acquiring outside companies and totalled \$266.20 million. The remaining 17 deals accounted for \$105.82 million and were related to New Brunswick companies being acquired.

Compared to last year, activity in both areas has increased. The last three years demonstrate that New Brunswick companies continue to grow through acquisition and that companies from outside of New Brunswick see economic opportunities in acquiring New Brunswick companies.

Figure 2.1: Comparison of M&A Deal (\$M)



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Figures 2.1a and 2.1b illustrate the locations of those companies that were acquired by New Brunswick companies.

Figure 2.1a: M&A Deals by Acquirer Location (\$M) 2014

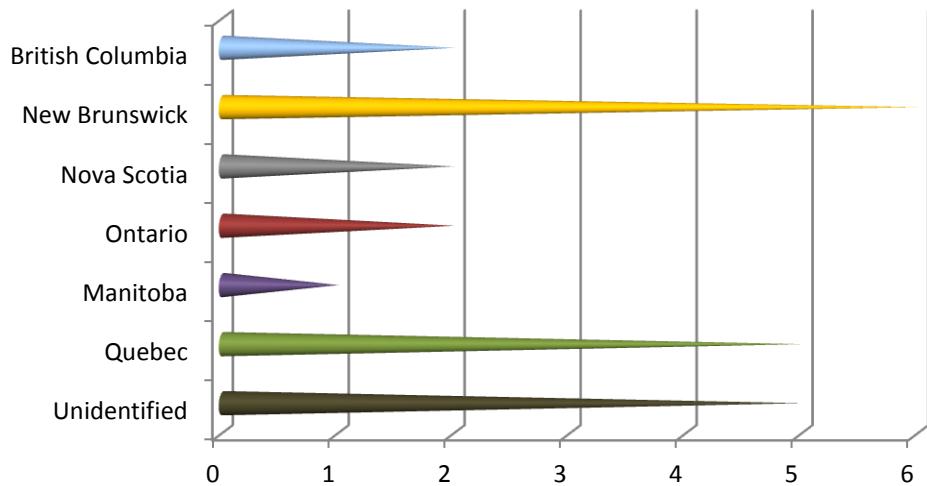


Figure 2.1b: Amount of M&A Deals by Province (2014)

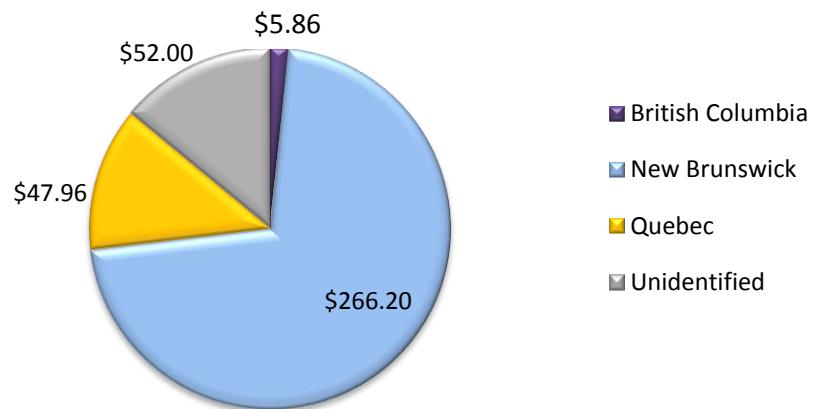
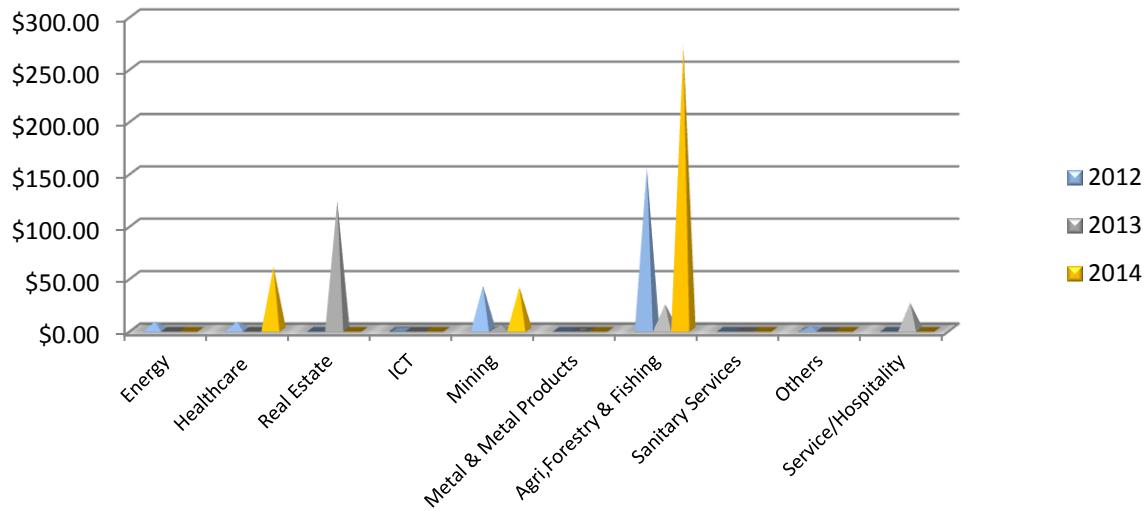


Figure 2.2 and 2.3 illustrate that in 2014 the agriculture, forestry and food services sector was the most active sector with \$223.44 million.

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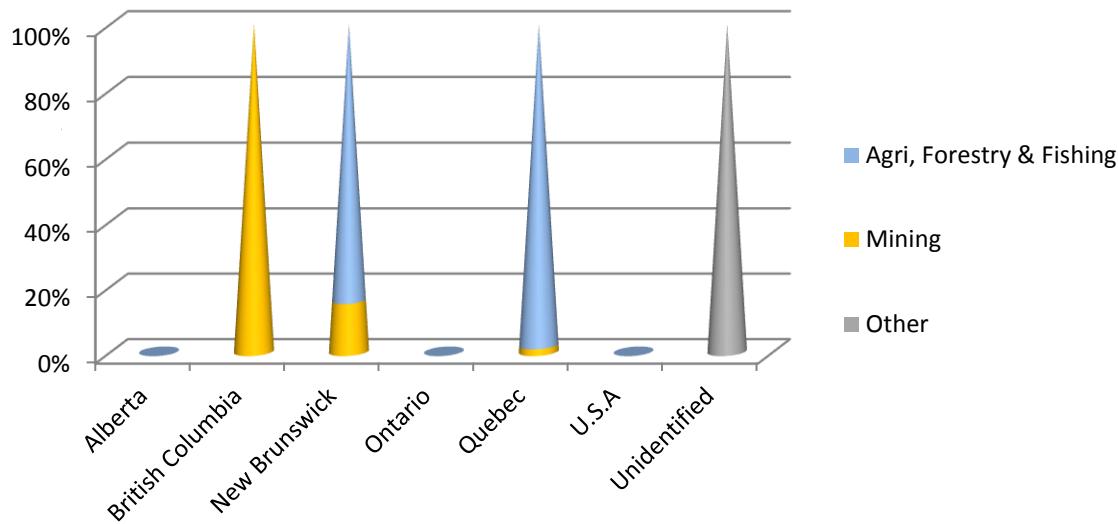
Figure 2.2 Comparison of Value of M&A Deals by Industry (\$M)



Real estate was active in 2013, yet there were no deals in 2014. In 2014, the mining and drug industries had deals worth \$40.55 million and \$60.03 million respectively.

Figure 2.3 illustrates M&A deals by location and industries. New Brunswick companies completed deals in mining, agriculture, forestry and food services industries. During our research, we found additional deals in business services, investment and commodity firms, dealers and exchanges, food and agriculture products, insurance and wholesale trade-durable goods industries. We were unable to verify the amounts, as companies involved did not disclose the value of the transactions.

Figure 2.3 M&A Deals by Location and Industry (2014)



Exempt distributions in New Brunswick's capital markets

Exempt markets involve securities that are distributed without a prospectus. Generally, every person who distributes new securities must disclose certain information to potential investors in the form of a prospectus. The requirement to disclose this information is to ensure that investors receive sufficient information to allow them to make an informed investment decision. In some cases, the requirement for a prospectus can be waived. This exemption typically applies to illiquid securities, which do not have established secondary markets.

Unlike publicly traded companies, most issuers of exempt market securities are not required to provide continuous disclosure to investors.

Our analysis of the exempt markets was completed using information obtained from regulatory filings, as well as information provided to us voluntarily. Many companies raising capital in the province rely on the private issuer exemption, which does not require reporting to FCNB.

We were able to gain further insight into the exempt markets activity by analyzing the Department of Finance data on funds raised through their Small Business Investor Tax Credit Program (SBITC). New Brunswickers availed themselves of this tax credit by investing \$14.83 million in 60 New Brunswick companies. In 2013 the SBITC had 100 applications and New Brunswickers invested \$19.30 million. The decrease year over year may be attributed to investors waiting for the Government's platform

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commitment to increase the value of the SBITC credit from a 30% to 50%. The increase in the tax credit was implemented in early 2015. We did not include the SBITC information in our exempt market totals, as there is likely some duplication between the SBITC data and the data we collected through other sources.

In 2014, exempt distribution investment was down significantly compared to 2013. In 2013, the Energy sector represented \$312.39 million; however, in 2014, this sector was not involved in the exempt market. The healthcare sector had an increase in funds raising \$7.29 million which was received from investors located outside of New Brunswick. In 2014, the total amount of exempt distribution was \$75.28 million, with \$63.74 million contributed from outside of New Brunswick.

In 2014, funds provided by New Brunswickers were \$11.54 million. ICT and healthcare were the most active industries. The ICT sector represented 74% of the total exempt market funds raised in 2014. National investors, primarily from Ontario, provided \$50.00 million of the funds raised.

Figure 3.0 illustrates the exempt market distribution of last four years. In 2014 the amount was lower than the last two years, however more in line with 2011.

Figure 3.0: Total Exempt Market Distribution (\$M)

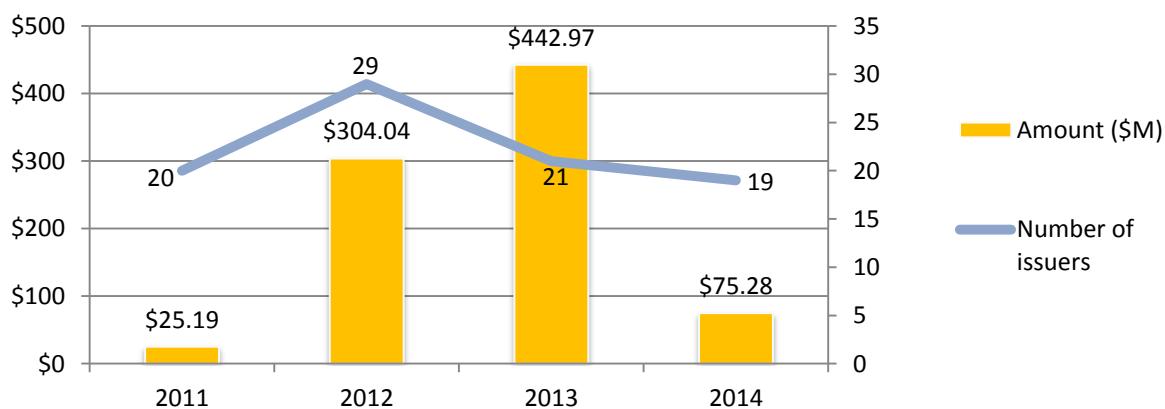


Figure 3.1 represents the type of securities issued in 2014 through New Brunswick's exempt markets. The majority of capital raised was done by issuing notes, with over \$50 million or 67% of the total exempt distribution. Common shares and preferred shares represent 27%. Capital raised by these two types of securities reached \$20 million, and was mainly used in healthcare, manufacturing, mining, life sciences, agriculture and the ICT sector. Bonds worth \$3.4 million represented 5% of the exempt distribution and were used by companies in the real estate sector.

Figure 3.1: Exempt Market Distributions by Types of Securities (\$M)

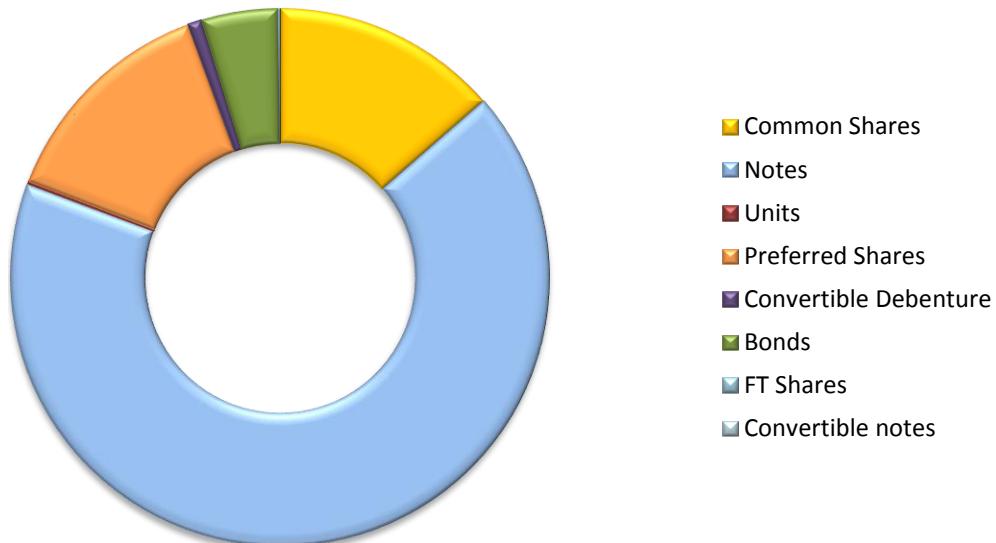
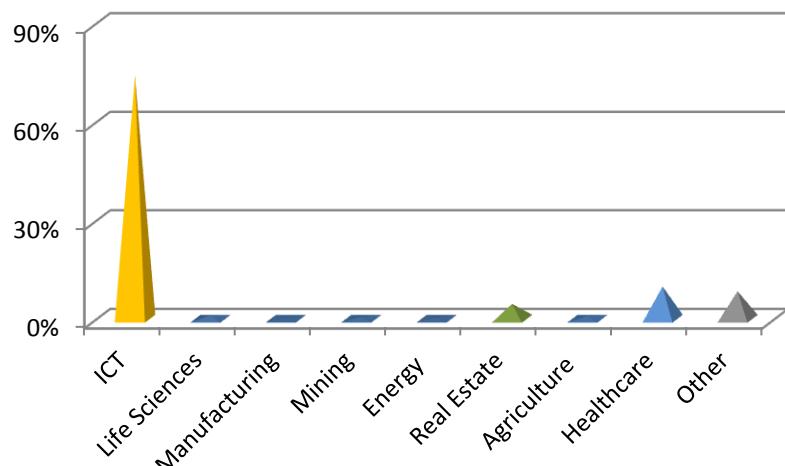


Figure 3.2 represents exempt market distribution by industry sector. ICT raised the majority of funds in 2014, with over \$55.74 million raised. ICT represented 74% of the total distribution while healthcare accounted for 10% or approximately \$7 million. The real estate sector raised \$3.40 million, which represented 5% of the total. Other industry sectors, such as; life sciences, mining, agriculture, energy and other unidentified sectors raised over \$8.5 million combined, representing 11% of the money raised.

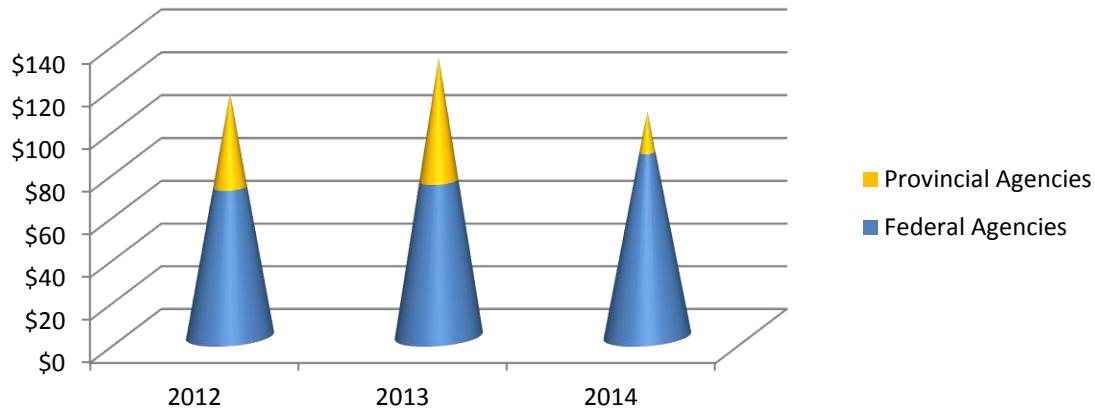
Figure 3.2: Exempt Market Distribution by Industry Type (\$M)



Grants in New Brunswick's Capital Markets

For our analysis, we considered federal and provincial government grants issued. In 2012 and 2013, the total value of grants provided remained consistent at \$149.90 million and \$148.38 million respectively. This year our analysis is incomplete as Regional Development Corporation had not released their annual report that provides the necessary detail.

Figure: 4.0 Provincial and Federal Grants (\$M)



At the provincial level, the Department of Economic Development (now Opportunities NB) contributed \$11.00 million in 2013; however, in 2014 the amount contributed by this department increased to \$13.39 million. New Brunswick Innovation Fund (NBIF) also provides grants however their grants are for research based projects. The fund contributed \$7.90 million in 2013 compared to \$5.90 million in 2014. This year NBIF introduced two new programs: NB Graduate Scholarships Program and NB Innovation Research Chair. Due to Invest NB becoming part of a new government agency, Opportunities New Brunswick, we were unable to provide details on the transactions related to the previous entity.

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Figure 4.1: Provincial Grants in New Brunswick (\$M)

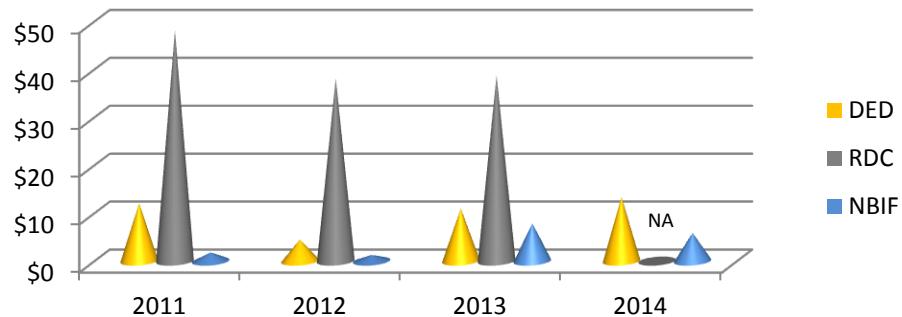
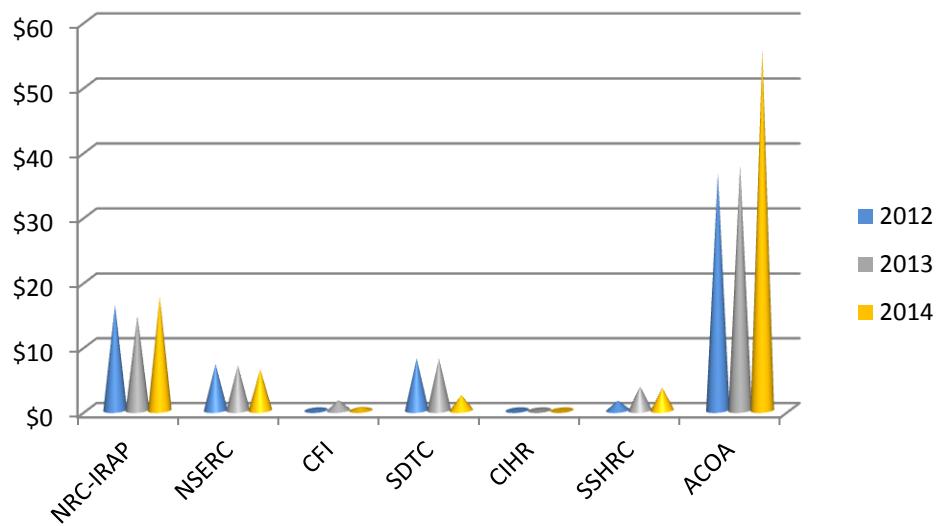


Figure 4.2 illustrates the federal grants provided in New Brunswick. The total federal grants increased to \$77.24 million in 2014. Similar to the previous two years, the Atlantic Canada Opportunity Agency (ACOA) was the main contributor in 2014, providing \$55.61 million.

Figure 4.2: Federal Grants In New Brunswick (\$M)



Debt Financing

In analyzing provincial debt financing numbers, we used data from three institutions:

- Fédération des caisses populaires acadiennes
- Credit Union Atlantic (New Brunswick)
- Atlantic Canada Opportunity Agency (ACOA)

Information for the major banks is not available at the provincial level.

Figure 5.0 illustrates the amount of outstanding loans from 2012 to 2014. Loans held at caisses populaires totalled \$796 million in 2014, representing an increase of 2% from 2013.

In 2013, New Brunswick Credit Unions financed \$76.44 million in loans, a 7% increase from 2012. In 2014, it financed \$80.04 million, representing an additional increase of 4.7% over 2013.

Figure 5.0: Caisses populaires & Credit Unions: Outstanding Loans (\$Mil)

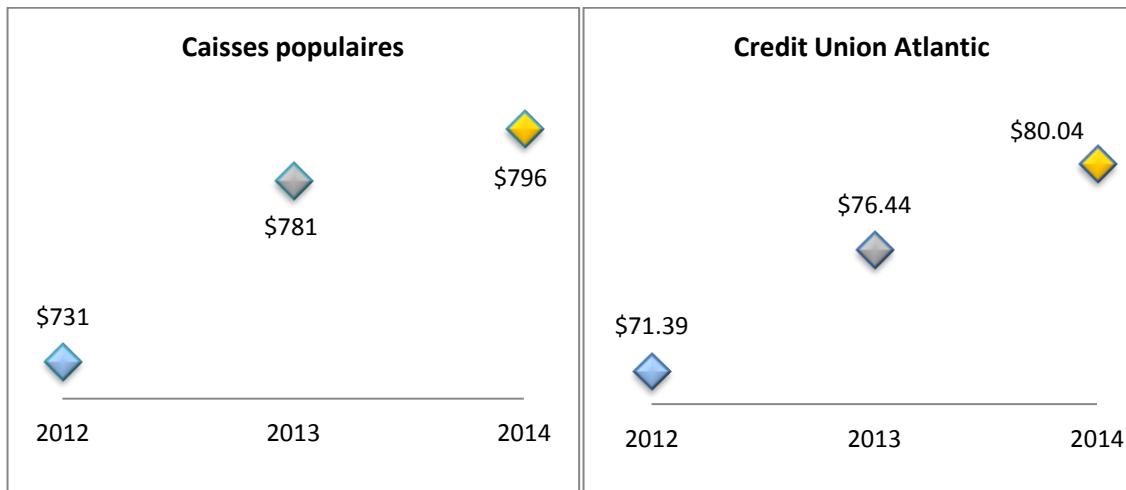
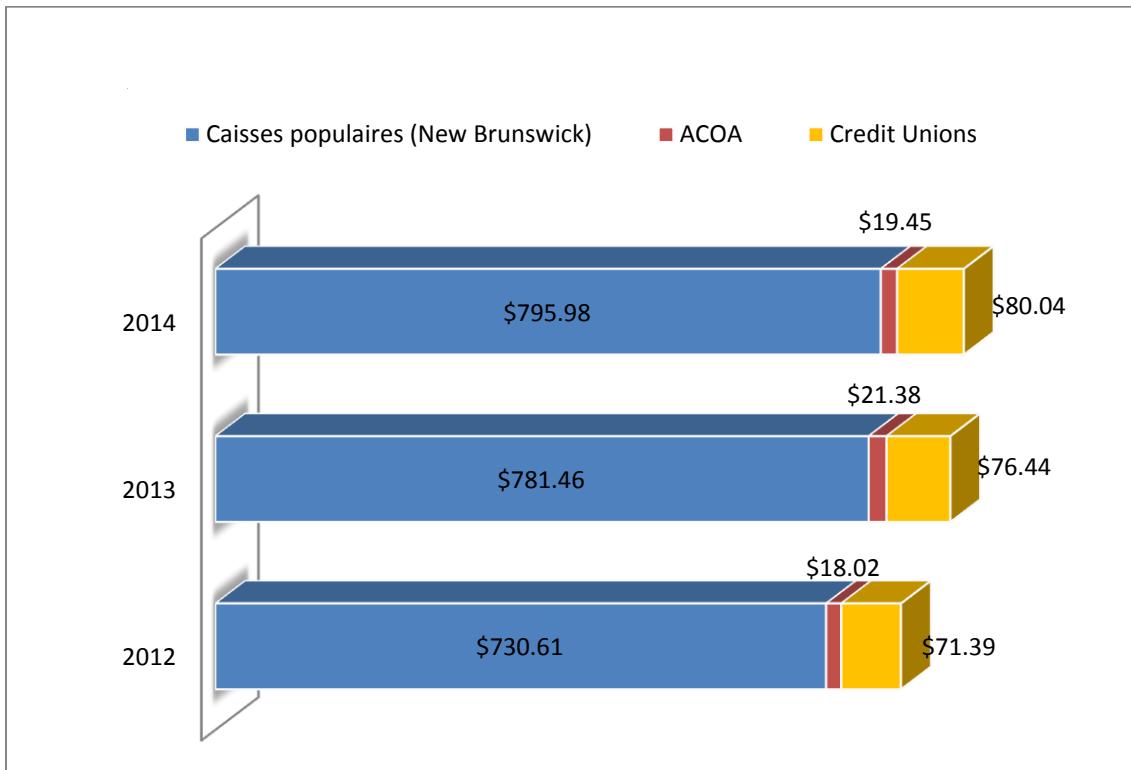


Figure 5.1 shows the debt financing in New Brunswick's capital markets over the last three years. Caisse populaires provided the largest contribution among these organizations over the last three years.

ACOA contributed \$19.45 million to debt financing in 2014 compared to \$21.38 million in 2013.

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Figure 5.1: Debt Financing in the New Brunswick Capital Markets



Summary

We have been reporting on New Brunswick's capital markets for six years. Our research has shown that our capital markets are greatly influenced by individual, large scale projects and the lack of these deals in 2014 had a significant impact on the total equity raised. However, the number of smaller deals demonstrated that New Brunswick capital markets remain active. Our research indicates that companies within New Brunswick were able to attract capital from both within the province and from outside the province. Private companies, as well as publicly-listed companies in the ICT, real estate, healthcare and manufacturing sectors have had a significant impact on our capital markets. These four sectors represent areas of growth within our economy however, as other sectors trend lower, the overall growth in our economy has stalled.

Our research indicates that an active M&A environment continues despite the overall lack of growth in the province. M&A includes both New Brunswick companies acquiring other New Brunswick firms, as well as national and international companies recognizing the value of companies within the province.

New Brunswick accelerators are providing mentorship and skill development for our start-up community. Many of the companies that have worked through the accelerators' programs are now actively raising funds and are employing New Brunswickers. We will continue to track the progress of the accelerators to report on their impact on New Brunswick's capital markets.

With the introduction of Equity Crowdfunding, the FCNB has provided an innovative approach to raising capital in the province. We will track the progress of this option and report on this in our 2016 report.

Future research will focus on the longer term impact of the volume of VC deals on early stage companies, especially within the ICT sector, and the growing awareness of the opportunities for New Brunswick companies to raise money in the exempt markets. In prior reports we suggested that the continued support of start-ups could yield this type of results. Though one year is not a trend we will continue to follow VC data to determine if this type of deal continues and in-turn helps grow New Brunswick's economy.

The FCNB 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 foodservices**- 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.
- **Crowdfunding** - the practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the Internet.
- **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.

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- **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.
- **Equity crowdfunding** - Equity crowdfunding is the name given to the process whereby people (the “crowd”) invest in a private company (a company that is not listed on a stock market) in exchange for shares in that company, typically via the internet.
- **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.

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- **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;
 - 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's Capital Markets' Key Indicators - 2014

Funding Source	ICT (\$M)	Life Sciences (\$M)	Manufacturing (\$M)	Energy (\$M)	Agriculture/Fish (\$M)	Mining (\$M)	Healthcare (\$M)	Real Estate (\$M)	Other (\$M)	2014 Total (\$M)	2013 Total (\$M)	% Change	Difference
EQUITY INVESTMENTS													
Venture Capital by Types of Funders													
Government	2.25	-	-	-	-	-	-	-	-	2.25	2.37	-5%	- 0.12
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-
Private Independent	2.14	-	-	0.10	-	-	-	-	-	2.24	0.77	191%	1.47
Others or Individuals	3.50	-	-	-	-	-	-	-	2.19	5.69	3.73	53%	1.96
Institutionals	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate PE/Venture	3.90	-	-	-	-	-	-	-	-	3.90	0.25	1460%	3.65
Total VC Investments	11.79	-	1.67	0.10	-	-	-	-	0.52	14.08	7.12	98%	6.96
Exempt Distributions	55.74	0.78	0.18	0.29	0.69	-	-	-	6.30	63.98	434.89	-85%	- 370.91
Public Market *	-	-	-	-	0.50	7.40	3.40	-	-	11.30	80.08	-86%	- 68.78
Total Equity Investments	67.53	0.78	1.85	0.39	0.69	0.50	7.40	3.40	6.82	89.36	522.09	-83%	- 432.73
MERGERS AND ACQUISITIONS													
Acquirers	-	-	-	-	224.44	41.76	-	-	-	266.20	147.30	81%	118.90
Acquired By	-	-	-	-	47.00	1.30	57.52	-	-	105.82	30.40	248%	75.42
Total M&A	-	-	-	-	271.44	43.06	57.52	-	-	372.02	177.70	109%	194.32
GRANTING **													
Provincial Agencies	-	-	-	-	-	-	-	-	-	19.29	72.89	-74%	- 53.60
Federal Agencies	-	-	-	-	-	-	-	-	-	77.24	57.70	34%	19.54
Total Grants	-	-	-	-	-	-	-	-	-	96.53	130.59	-26%	- 34.06
Grand Total	67.53	0.78	1.85	0.39	272.13	43.56	64.92	3.40	6.82	557.91	821.97	-32%	- 264.06
Debt Financing ***	-	-	-	-	-	-	-	-	-	895.47	879.28	2%	16.19

* Public markets include \$11.30M raised by public companies within the exempt markets.

**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).

Appendix C - Five Year Dashboard of New Brunswick's Capital Markets Key Indicators

Dashboard	Year (\$M)				
	2010	2011	2012	2013	2014
Venture Capital Investments	15.68	21.15	8.18	7.12	14.08
VC # of Deals	12	16	23	15	22
Average Size of Deals	1.31	1.32	0.36	0.47	0.64
Exempt Distributions (with energy)	185.71	24.75	304.04	434.89	75.28
Exempt Distributions (excluding energy sector)	36.54	24.75	23.23	122.47	74.99
Public Markets	Not available	116.9	23.20	78.00	11.30
Mergers & Acquisitions	Not available	533.87	215.98	177.67	372.02
Grants	203.56	116.25	103.11	130.59	96.53
Debt Financing	652.22	761.93	820.02	879.28	895.47
SBITC	21.00	16.60	17.60	19.30	14.83

Appendix D - Tables

Table 1.0: Total Amount (\$M) and Number of Venture Capital Investments

Venture Capital Investments	2010	2011	2012	2013	2014
Amount (\$M)	15.68	21.15	8.18	7.12	14.08
Number of Deals	11	16	23	15	22

Table 1.1: Amount (\$M) of Venture Capital Investments by Industry Sector

Year	Industry (\$M)					Total
	ICT	Life Sciences	MFG	Energy	Others	
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
2013	4.55	-	-	1.87	0.70	7.12
2014	11.79	-	1.67	0.10	0.52	14.08

Table 1.2: Number of Direct Capital Investments by Industry Sector

Year	Industry (Number of Deals)					Total
	ICT	Life Sciences	MFG	Energy	Others	
2010	9	-	-	2	-	11
2011	10	1	-	2	3	16
2012	18	1	-	-	4	23
2013	12	-	-	2	1	15
2014	17	-	2	1	2	22

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Table 1.3: Amount of Venture Capital Investments (\$M) by Development Stage and Industry in New Brunswick

Stage of Development	2012				2013				2014			
	ICT	Life Sciences	Energy	Others	ICT	Life Sciences	Energy	Others	ICT	MFG	Energy	Others
Seed	0.61	-	-	-	0.10	-	0.75	-	0.30	-	-	0.10
Early stage	1.45	-	-	4.10	4.45	-	-	-	11.39	1.30	-	-
Later Stage	1.80	0.22	-	-	-	-	1.12	0.70	0.10	0.37	0.10	0.42
Total	3.86	0.22	-	4.10	4.55	-	1.87	0.70	11.79	1.67	0.10	0.52

Table 1.4: Number of Direct Venture Capital Investments by Development Stage and Industry in New Brunswick

Stage of Development	2012				2013				2014			
	ICT	Life Sciences	Energy	Others	ICT	Life Sciences	Energy	Others	ICT	MFG	Energy	Others
Seed	5	-	-	-	2	-	1	-	2	-	-	1
Early Stage	10	-	-	4	10	-	-	-	13	1	-	-
Later Stage	3	1	-	-	-	-	1	1	2	1	1	1
Balanced	-	-	-	-	-	-	-	-	-	-	-	-
Total	18	1	-	4	12	-	2	1	17	2	1	2

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Table 1.5: Amount of Venture Capital Invested (\$M) by Type of Funder

Type of Funder	2012				2013				2014			
	ICT	Life Sciences	Energy	Others	ICT	Life Sciences	Energy	Others	ICT	Life Sciences	Energy	Others
Government	1.55	-	-	0.50	0.50	-	1.87	-	2.25	-	0.10	-
Private	0.05	-	-	-	0.77	-	-	-	2.14	-	-	-
Retail	1.00	0.22	-	-	-	-	-	-	-	-	-	-
Other	1.26	-	-	1.60	2.93	-	-	0.70	2.81	-	-	2.19
Institutional	-	-	-	2.00	-	-	-	-	3.90	-	-	-
Corporate/PE Venture	-	-	-	-	0.25	-	-	-	-	-	-	-
Individuals	-	-	-	-	0.10	-	-	-	0.69	-	-	-
Total	3.86	0.22	-	4.10	4.55	-	1.87	0.70	11.79		0.10	2.19

Table 1.6: Venture Capital Investments (\$M) Comparison by Province

Province	2010	2011	2012	2013	2014
New Brunswick	15.68	21.15	8.18	7.12	14.08
Nova Scotia	8.39	45.32	37.28	15.26	11.49
Manitoba	12.06	19.45	31.00	11.18	-
Saskatchewan	4.02	15.00	53.60	4.13	17.34
Newfoundland & Labrador	-	1.49	0.85	-	60.00

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Table 1.6.1: Venture Capital Investments (\$M) Comparison by Type of Industry and by Province

Province	2014						Total
	ICT	Life Sciences	Manufacturing	Energy	Agriculture	Others	
New Brunswick	11.79	-	1.67	0.10	-	0.52	14.08
Nova Scotia	4.47	2.02	-	5.00	-	-	11.49
Manitoba	-	-	-	-	-	-	-
Saskatchewan	0.60	13.56	-	-	-	3.18	17.34
Newfoundland and Labrador	60.00	-	-	-	-	-	60.00

Table 2.0: M&A Deals at a Glance in New Brunswick in 2014

Total M&A Deals in 2014			
Acquirer Location	Target Location	Amount in (\$M)	Number of Deals
Nova Scotia	New Brunswick	Not Disclosed	1
New Brunswick	New Brunswick	Not Disclosed	1
Not Disclosed	New Brunswick	Not Disclosed	1
Quebec	New Brunswick	Not Disclosed	1
Ontario	New Brunswick	Not Disclosed	1
Not Disclosed	New Brunswick	52.00	1
Quebec	New Brunswick	Not Disclosed	1
New Brunswick	Not Disclosed	224.44	1
Quebec	New Brunswick	0.96	1
Not Disclosed	New Brunswick	Not Disclosed	1
Not Disclosed	Not Disclosed	Not Disclosed	1
British Columbia	New Brunswick	5.52	1
Manitoba	New Brunswick	Not Disclosed	1
Not disclosed	New Brunswick	47.00	1
New Brunswick	Ontario	39.25	1
Quebec	New Brunswick	Not Disclosed	1
New Brunswick	Ontario	Not Disclosed	1
Not Disclosed	New Brunswick	Not Disclosed	1
Ontario	New Brunswick	Not Disclosed	1
British Columbia	New Brunswick	0.34	1
New Brunswick	Not Disclosed	2.51	1
Nova Scotia	New Brunswick	Not Disclosed	1
Not Disclosed	New Brunswick	Not Disclosed	1
Total		\$372.02	23

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Table 2.1: Total Amount and Number of M&A Deals, 2014

Year	Total M&A Amount (\$M)	Total M&A Number of Deals
2012	215.98	19
2013	177.70	17
2014	372.02	23

Table 2.2: New Brunswick Companies Acquired Other Companies and Non-New Brunswick Companies Acquired New Brunswick Companies, 2014

Year	Acquirer (\$M)	Acquired by (\$M)
2012	176.78	39.20
2013	147.30	30.40
2014	266.20	105.82

Table 2.3: Total Amount of M&A Deals by Acquirer's Location, 2014

Acquirer Location	2012 (\$M)	2013 (\$M)	2014 (\$M)
Alberta	3.11	-	-
British Columbia	18.84	0.30	5.86
New Brunswick	176.78	147.30	266.20
Ontario	15.24	29.40	-
Quebec	1.11	0.70	47.96
U.S.	-	-	-
Unidentified	0.90	-	52.00
Total	215.98	177.70	372.02

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Table 2.4: Number of M&A Deals by Acquirer's Location

Acquirer Location	2012	2013	2014
Alberta	1	-	-
British Columbia	6	2	2
New Brunswick	5	7	6
Ontario	5	5	2
Quebec	1	2	5
U.S.	-	-	-
Nova Scotia	-	-	2
Manitoba	-	-	1
Unidentified	1	1	5
Total	19	17	23

Table 2.5: Total Amount of M&A Deals by Industry

Industry	2012 (\$M)	2013 (\$M)	2014 (\$M)
Energy	7.82	-	-
Healthcare	7.63	-	60.03
Real Estate	-	122.80	-
ICT	0.90	-	-
Mining	41.84	4.70	40.55
Metal & Metal Products	-	0.30	-
Agriculture & Livestock	154.39	24.00	271.44
Services/Hospitality	-	25.70	-
Sanitary Services	-	0.20	-
Others	3.40	-	-
Total	215.98	177.70	372.02

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Table 2.6: Number of M&A Deals by Industry

Industry	2012	2013	2014
Energy	1	-	-
Insurance	-	1	2
Healthcare	1	-	2
Real Estate	-	2	1
ICT	1	-	3
Mining	9	5	4
Metal & Metal Products	-	1	-
Services/Hospitality	-	1	-
Agriculture/Food Services	5	3	5
Others	2	4	6
Total	19	17	23

Table 2.7 Amount of M&A Deals (\$Mil) by Location and Industry (2014)

Location	Real Estate	Mining	Agriculture/ Forestry/Food Services	Health Care	Total
Alberta	-	-	-	-	-
British Columbia	-	0.34	-	5.52	5.86
New Brunswick	-	39.25	224.44	2.51	266.20
Ontario	-	-	-	-	-
Quebec	-	0.96	47.00	-	47.96
Unidentified	-	-	-	52.00	52.00
Total	-	40.55	271.44	60.03	372.02

Table 3.0: Exempt Markets Distributions (2014)

2012		2013		2014	
Amount (\$M)	# of Issuers	Amount (\$M)	# of Issuers	Amount (\$M)	# of Issuers
304.04	29	442.97	21	75.28	19

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Table 3.1: Exempt Markets Distributions (\$M) by Type of Securities (2014)

Type of Securities	New Brunswick	Non-New Brunswick	Total
Common shares	2.16	8.09	10.25
Notes	0.35	50.00	50.35
Units	0.08	0.10	0.18
Preferred shares	6.81	3.40	10.22
Convertible debentures	0.65	-	0.65
Bonds	1.26	2.15	3.4
FT shares	0.12	-	0.12
Convertible notes	0.11	-	0.11
Total	11.54	63.74	75.28

Table 3.2: Exempt Market Distribution (\$M) by Type of Investors (2014)

Type of Investor	New Brunswick	Non-New Brunswick	Total
Asset Acquisition	-	-	-
Accredited Investors	5.18	63.59	68.77
Private Issuers	2.75	0.15	2.90
Family, Friends & Business Associates	3.13	-	3.13
Offering Memorandum	0.48	-	0.48
Total	11.54	63.74	75.28

Table 3.3: Exempt Market Distributions (\$M) by Type of Industries (2014)

Industry	NB Amount	Other Amount	Total
ICT	2.39	53.35	55.74
Life Sciences	0.56	0.21	0.78
Manufacturing	0.01	0.17	0.18
Mining	0.20	0.30	0.50
Energy	0.29	0.00	0.29
Real Estate	1.26	2.15	3.40
Agriculture/Forestry/Food Services	0.53	0.16	0.69
Healthcare	-	7.40	7.40
Others	6.30	-	6.30
Total	11.54	63.74	75.28

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Table 3.4: Exempt Market Distributions (\$M) by Investor's Location and Industry from outside New Brunswick (2014)

Location	ICT	Life Sciences	MFG	Mining	Real Estate	Energy	Agriculture	Healthcare	Total
Alberta	0.08	-	-	-	-	-	-	0.25	0.34
British Columbia	-	0.04	-	0.07	0.52	-	0.00	0.80	1.43
Manitoba	-	-	-	-	-	-	-	0.01	0.01
Nova Scotia	2.09	-	-	-	0.1	-	0.00	0.04	2.23
Ontario	50.02	-	0.15	0.23	0.23	0.01	0.15	1.71	52.50
PEI	-	-	-	-	0.1	-	-	0.00	0.10
Quebec	1.09	-	0.02	-	1.2	-	-	0.60	2.92
Saskatchewan		0.17	-	-	-	-	-	0.00	0.17
West Virginia		-	-	-	-	-	-	0.02	0.02
Florida	-	-	-	-	-	-	-	0.02	0.02
Colorado	-	-	-	-	-	-	-	0.85	0.85
New York	-	-	-	-	-	-	-	0.63	0.63
Texas	-	-	-	-	-	-	-	0.16	0.16
Virginia	-	-	-	-	-	-	-	0.10	0.10
North Carolina	-	-	-	-	-	-	-	0.02	0.02
USA	0.07	-	-	-	-	-	-	0.02	0.08
Panama	-	-	-	-	-	-	-	1.60	1.60
Cayman Islands	-	-	-	-	-	-	-	0.50	0.50
Hong Kong	-	-	-	-	-	-	-	0.06	0.06
Total	53.35	0.21	0.17	0.30	2.15	0.01	0.15	7.39	63.74

Table 4.0 Federal and Provincial Grants in New Brunswick

Funding Organization	2012 (\$M)	2013 (\$M)	2014 (\$M)
Federal agencies	69.85	72.89	85.99
Provincial agencies	43.93	57.70	19.29
Total	113.78	130.59	105.28

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Table 4.1: Provincial Grants in New Brunswick

Funding Organization	2012 (\$M)	2013 (\$M)	2014(\$M)
Department of Economic Development	4.50	11.00	13.39
Regional Development Corporation (RDC)	38.14	38.80	-
NBIF (Research Grants)	1.29	7.90	5.90
Total	43.93	57.70	19.29

Table 4.2: Federal Grants in New Brunswick

Funding Organization	2012 (\$M)	2013 (\$M)	2014 (\$M)
NRC-IRAP	16.29	14.62	17.59
NSERC	7.14	6.95	6.36
CFI	0.22	1.56	0.54
SDTC	8.00	8.00	2.35
CIHR	0.14	0.20	0.07
SSHRC	1.50	3.74	3.47
ACOA	36.56	37.82	55.61
Total	69.85	72.89	85.99

Table 4.3: Provincial Grants by Department of Economic Development (DED)

Type of Program	2014 (\$M)
Strategic Assistance	6.66
Innov8	2.62
EDP	1.13
NB growth	2.98
Total	13.39

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Table 4.4: Provincial Research Grants by New Brunswick Innovation Foundation (NBIF)

Type	Amount (\$M)
Innovation Voucher Fund (IVF)	0.83
Research Innovation Fund (RIF)	2.28
Research Assistantships Initiative (RAI)	0.90
NB Graduate Scholarships Program	1.29
NB Innovation Research Chair	0.60
Total	5.90

Table 5.0: Debt Financing of Business Clients

Funding Organization	2012 Outstanding (\$M)	2013 Outstanding (\$M)	2014 Outstanding (\$M)	Change from 2013 to 2014
Caisse populaires (New Brunswick)	730.61	781.46	795.98	2%
ACOA	18.02	21.38	19.45	-9%
Atlantic Credit Unions	71.39	76.44	80.04	5%
Total	820.02	879.28	895.47	2%

Appendix E - Types of Lending Organizations

Table 6.0: Amount of Outstanding Loans – Caisses populaires

Year	Outstanding Loans (\$M)
2010	581.20
2011	675.50
2012	730.61
2013	781.46
2014	795.98

Table 6.1: Loans as of January 1st 2014 and Newly Issued Loans in 2014 – Caisses populaires

Loan Type	2013 Outstanding (\$M)	2014 Outstanding (\$M)	% Change
New	243.01	174.64	-28.13%
Old	538.45	621.34	15.38%
Total	781.46	795.98	1.85%

Credit Union Atlantic (New Brunswick)

Table 7.0: Outstanding Loans

Year	Outstanding Loans (\$M)	% Change
2010	52.74	Not Available
2011	65.09	23.42
2012	71.39	9.68
2013	76.44	7.07
2014	80.04	4.71%

Appendix F - Accelerators

Information below was obtained directly from the accelerator's website.

Planet Hatch: <http://planethatch.com/en>

Planet Hatch is an accelerator based in Fredericton, New Brunswick, that provides opportunities for ideas and worlds to collide. They are specifically geared towards helping startups accelerate, collide and fuse within the entrepreneurial community. We have a number of initiatives to guide companies at different stages of their entrepreneurial journey, and an amazing roster of mentors. To date, our 19 startups have raised over \$4.6M in private funding, and have leveraged more than \$1.9M. We have also hosted 120+ events with over 2000 attendees over the past year.

Launch 36 – Propel ICT: <http://launch36.ca/>

Launch36 is a program designed to develop the next generation of high growth technology firms on the East Coast. We are a cohort-based accelerator initiative for early stage founder teams. Our goal is to help you increase your chances of long-term success by providing an early opportunity for funding, mentorship, knowledge and support.

McKenzie Accelerator: <http://www.mckenzie.edu/accelerator/>

The McKenzie Accelerator runs a 14-week program for founders of business start-ups in New Brunswick, Canada. We are looking for innovative companies that want to accelerate their growth in a mentor-driven environment. If your company focus meets a real need in the ICT, New Media, Design or Game/App Development arena, we want to meet you!

Appendix G - Source List

Tables 1.0 to 1.6

Source: Thomson Reuters

Tables 2.0 to 2.7

Sources:

1. Thomson Reuters
2. Public information sources

Tables 3.0 to 3.4

Source:

Regulatory filings made to Financial and Consumer Services Commission

Tables 4.0 and 4.1

Provincial agencies

Sources:

1. *Business New Brunswick Annual Report 2014*
2. New Brunswick Innovation Foundation (NBIF)

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

Table 5.0

Sources:

1. Direct information from Fédération des caisses populaires acadiennes
2. Atlantic Canada Opportunities Agency (ACOA), project information site
3. Direct information from Credit Union Atlantic

Tables 6.0 and 6.1

Caisse populaires (New Brunswick)

Source: Fédération des caisses populaires acadiennes

Table 7.0

Atlantic Credit Unions

Source: Credit Union Atlantic

Tables 8.0 and 8.1

Atlantic Canada Opportunities Agency (ACOA)

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