



Growing the Margins

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BioEnterprise Corp.



Before we look forward to the future, it is important to understand where we have just been!

- 1997 - 2000 greatest number of new business creations on record
- Entrepreneurialism at its peak, spin offs and university graduates
- High Tech, Bio-Tech, Telecommunications, Wireless, Internet
- Greatest number of IPO s and RTO s in North America

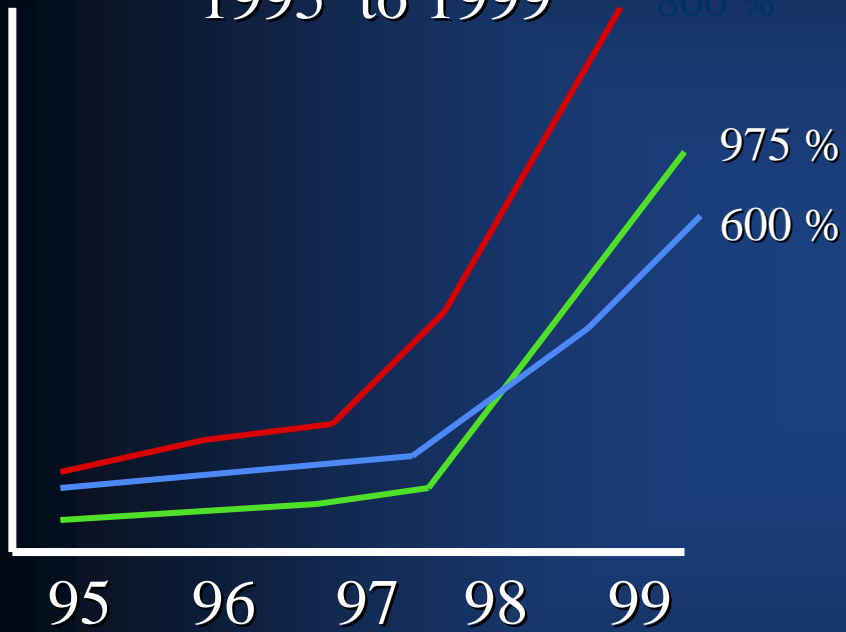
- TSE and NASDAQ break all records
- Spin offs, mergers and acquisitions fuel growth
- Propagates serial entrepreneurialism - Do It Again!
- Creates significant wealth among entrepreneurs -> angels
- Venture Capital reaps great rewards

- Over buying 1996 - 1999 due to The Millennium Scare
- Dot com & Telecomm meltdowns 2000 - 2004
- Terrorist attack - 09/11 - closed for business -> 6 months
- Retail markets suffer worst Christmas in over a decade (2001)

- Companies stop purchasing technology / services-worldwide !
- Securities Commission - Illegal Activities Uncovered
 - Xerox, World Com, Arthur Anderson, Enron, Adelphi, Global Crossing, HP
- Bio-tech, healthcare markets get hammered 2002 / 2003
- In 2003 -> War in Iraq - ongoing, then SARS....what next ?

Start-up Activity

1995 to 1999



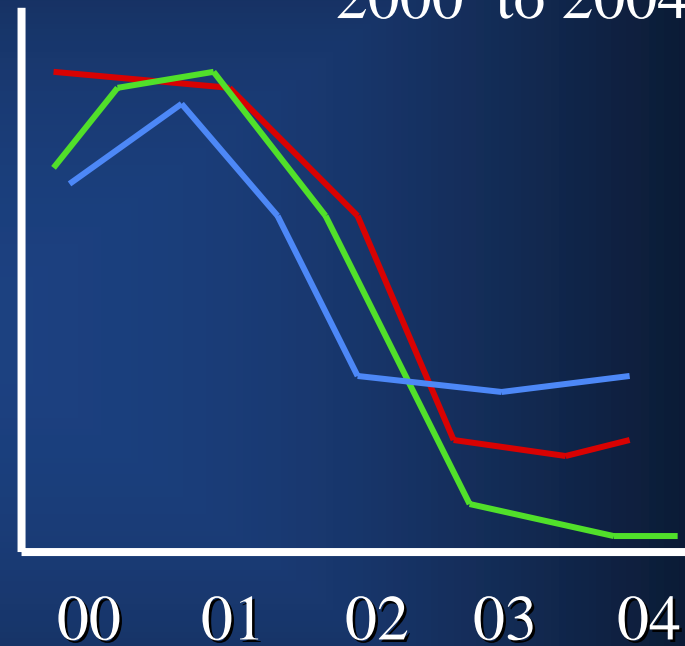
 **Start-up Activity**

 **Angel Activity**

 **VC activity**

Start-up Activity

2000 to 2004



 **Start-up Activity**

 **Angel activity**

 **VC activity**

- Investment Incubators are gone!!!
- Angels are leaving
- Those that invested in early stage are nursing wounds!
- Venture Capital firms not considering any new deals
- Labour Sponsored Funds, plagued by redemptions, consolidations and extremely poor returns

- Canadian VCs have no new capital to invest
- New investing comes to a standstill
- Return to “safe investing” - No Start Ups!

Canadian Investment Community is Devastated !

VCs No Longer in Business !

Launchworks	XPV	NRG	Garage Capital
Itemus		Ecom Park	Capital
Alliance Working Ventures Capital		Westaim Partners	Bolder
Canadian New Ventures	Onyx.com	Helix Investments	Graybrook Canadian
General Capital	MWI Capital	Capital Partners	TD Capital
G.E. Capital (left Canada)	E-Lab	BioCapital	Capital Alliance
Bank of Montreal Capital	Royal Bank Cap	Primaxis	XDL Capital
Foragen Management	CMDF	Nortel Ventures	CIBC Equity
Terra Capital Partners	ACF Equity	Technocap	Fullarton Capital
Mosaic Ventures		Crocus Investment	Aprillis Ventures
Yorkton Fulcrum Partners		Altamira	4Cite
Covington Capital	Millennium Capital	IPM Funds	Telsoft
Triax Ventures	T2C2 Fund	Mount Royal	Novacap
Rothchild Investments	Southview Capital.....		

- Canada experiences a 60% drop in the number of venture capital firms, 80% drop in early stage investing (2000 to 2003)
- Canadian venture capital firms lose 2.4% annually over a five year period ending Dec 2004
- Virtually all VC s gravitate towards investing in later stage companies
- Start-up investing returns to pre-1995 levels

- Dismantling of angel syndicates due to investment losses
- Virtually all investment funds experience DEEP negative returns
- No exits for investors, no IPOs, no Buy-outs, no exits
- Some lose up to 30% of their wealth or more
- Angel investment activity nearly ceases in Canada !
- **Many angels and high-net-worth investors leave for good !**

Wealth preservation takes precedence over wealth creation

Where are we now in 2007 ?

Entrepreneurialism		Dramatically up
Angel Investing		Slowly coming back
Venture Capital		Little change
IPO activity		CPC activity way up
R & D Funding		New Sources
Gov't Activity		Needed as catalyst

- The integration of agriculture, healthcare and the environment present compelling investment opportunities:
 - **Functional Foods, Nutraceuticals, Omega-3**
 - **Agri-based pharma, life sciences, medical**
- Bioproducts from agriculture including oils, fibres, plastics, new industrial materials
- Water technologies
- Alternative fuels / energy, waste management

- Our mission is to become the leading Commercialization Agent in Canada for the Agri-Technology sectors
- We work very closely with entrepreneurs to support them in ensuring that they are able to build successful, sustainable business.

BioEnterprise Corporation

What is BioEnterprise ?

BioEnterprise is a Commercialization Agent!

Commercialization: from the word “commerce”; to apply business methods chiefly for financial gain or profit.

Agent: an instrument or means by which a guiding intelligence achieves a result

BioEnterprise Corporation

Path To Commercialization

Basic
Research

Applied
Research

Development
Productization

Company
Formation

Business Contemplation

Monitoring

BioEnterprise Involvement

Education

Advice & Counsel

Client Engagement

Commercialization Agent

Management / Advisors

- Scientific Advisors
- Augmenting / support of management
- Establishment of Board

Financial Expertise

- Cost Management
- Product Margins
- Path to Profit / ROI
- Revenue streams
- Delivered via BioEnterprise staff Consultants, the BioEnterprise Global Networks

Business Plans and Strategy

- BP Development
- Critique / Modification
- Reality Check Program
- Delivered via BioEnterprise staff or via Consultants, Mentors, Angels and Professionals



Commercialization Agent

Technology Assessment

- Uniqueness / "Disruptivity"
- Manufacturability
- Competitive Barriers
- IP Protection
- Delivered via BioEnterprise staff or via Consultants, Mentors, Angels And Technology Professionals

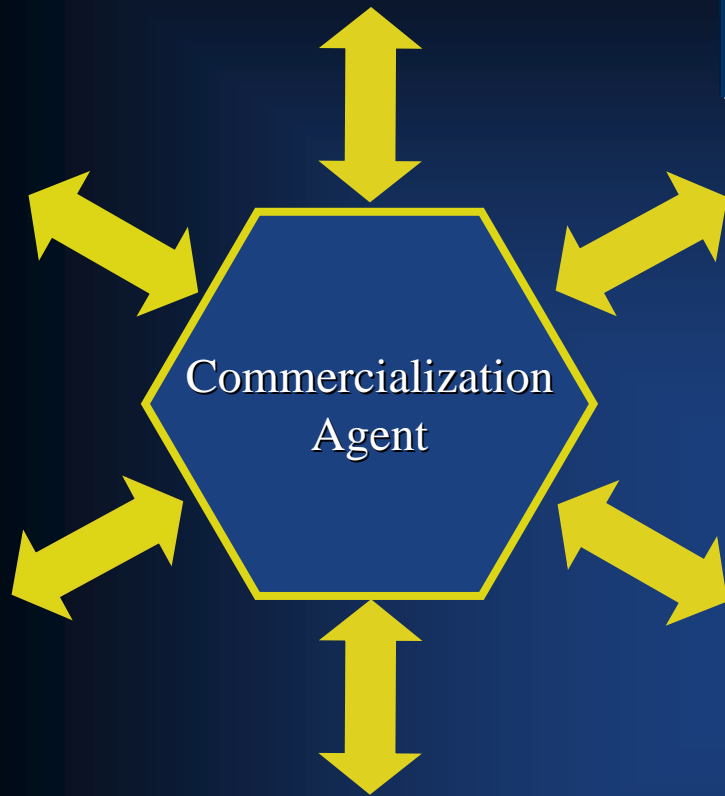
Mentorship Coaching

- Via BioEnterprise staff or by Business Leaders, Semi retirees, Successful Entrepreneurs, Angels

Investment \$

- Angels / Angel Groups
- Strategic Partners
- Venture Capital
- Government Programs

Building Your Company's Financial Strategy



Investment \$

- Angels / Angel Groups
- Strategic Partners
- Venture Capital
- Asset-based lending
- SBL programs
- Government Programs
- CPC and RTOs

1. How much capital is really needed ?
2. Use of proceeds - how will the capital be used ?
3. Identify sources of capital according to usage ie: asset purchase, operating lines, staffing etc.
4. Assemble the plan
5. Approach the identified sources

Creative Capital Solutions \$\$

Capital requirements must come from multiple sources:

- ✓ Asset-based financing
- ✓ Angel investment capital
- ✓ Gov't programs: Research programs, Co-Vision (BDC)
- ✓ Canada Small Business Financing Program
- ✓ Personal funds
- ✓ Explore the Capital Pool Corp (CPC) option with the above



BioEnterprise Global Network

Mentorship Network

- Business Leaders
- Successful Entrepreneurs
- Semi-Retired
- Willingness to spend time

Investor Network

- Angel investors
- High-Net-Worth
- Venture Capital
- Strategic Corporate

Professionals Network

- Marketing Comm.
- Legal
- Financial
- Sales / Distribution
- Technical
- Business Development
- HR

Join -> www.bioenterprise.ca

Path To Commercialization

There is no lack of R & D monies. But what happens when R & D is completed?

Pre-commercialization
Phases

Commercialization
to beyond Start-Up

Concept

Research

Proof of Concept

Prototype

Commercialization

Start-Ups

Ontario Centres of Excellence

Applicable to Universities and Industry / Private Sector research projects

(AFM Net)

Universities Only

Accelerator

Matching Private Sector \$

Proof of Principle - ORCP

Universities Only

STDC

Matching Private Sector \$

NSERC

Universities Only

IDF

Matching Private Sector \$

Alternative Renewable Fuels

Applicable to Universities and Industry / Private Sector research projects

AAC

Universities Excluded - Pillar 1 & 2

Debt and Grants - Canadvance

LAIF

Universities only

PreCarn

Universities Excluded - IT Research only

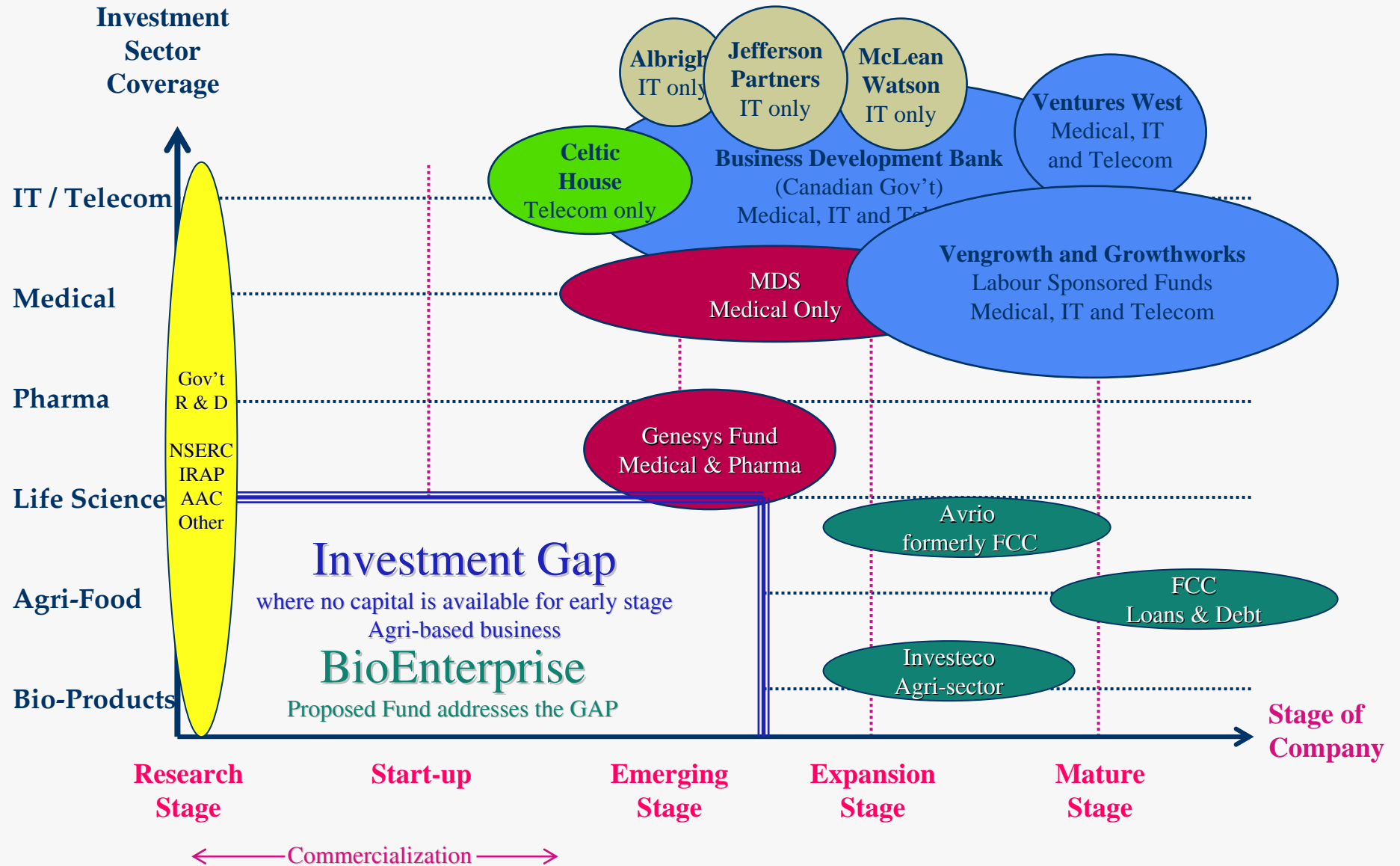
IRAP

Universities Excluded - Research only

Research Funding
only

Funding Landscape

cape



Path To Commercialization

BioEnterprise brings private capital to the table specifically for commercialization and growth!

Pre-commercialization
Phases

Commercialization
to beyond Start-Up

Concept

Research

Proof of Concept

Prototype

Commercialization

Start-Ups

Ontario Centres of Excellence

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BioEnterprise
Proposed
Investment
Funds

Commercialization

Equity / Start-up capital

Post Commercialization

Research Funding
only

Post Commercialization Equity
Funding

Investment Fundamentals Apply

What the investors will look for:

- ✓ Global business opportunity - huge markets
- ✓ Unique technology or barriers to entry for others
- ✓ Sustainable and defensible business model
- ✓ Management Team
- ✓ Focus and discipline

Investment Fundamentals Apply

A few words about Management

- ✓ Most important aspect
- ✓ Leadership
- ✓ Passion and Energy
- ✓ Experience
- ✓ Charismatic
- ✓ Strong Communicator



BioEnterprise

Building Bio-based Businesses !

Thank You