

2011/12

**...helping bridge the gap
2011/12 annual report**

NETWORK OF ANGEL ORGANIZATIONS - ONTARIO
a member of the Ontario Network of Excellence



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Network of Angel Organizations-Ontario is a member of

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create and grow
non-profit Angel
investor groups for
all the regions of
Ontario

2012

The National Angel Network Research and Innovation Program Organization – Ontario (known as the “Network of Angel Organizations – Ontario” or “NAO-Ontario”) was formed in 2007 by principals of the National Angel Capital Organization (NACO) in order to administer the Angel Network Program, established by the Government of Ontario in July 2007.

NAO-Ontario’s mission is to create and grow non-profit Angel investor groups for all the regions of Ontario. Building the membership and best practices of these groups builds a more potent combination of mentorship and capital for innovative start-up companies in the province.

A member of the Ontario Network of Excellence (ONE), NAO-Ontario continues to administer Ontario’s Angel Network Program on behalf of the Government of Ontario.

NAO-Ontario also administers the Investing in Business Innovation Outreach Program, on behalf of the Federal Economic Development Agency for Southern Ontario (FedDev Ontario).

Ontario Network of Excellence

Supported by the Government of Ontario, the Ontario Network of Excellence (ONE) is Ontario’s innovation system. The ONE is made up of regional and sector focused organizations designed to help Ontario-based entrepreneurs rapidly grow their companies, and create jobs. For more information visit oneinnovation.ca.

Federal Economic Development Agency for Southern Ontario

With a five-year mandate, the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) was launched in August 2009 to help respond to Ontario’s economic challenges. Through its funding initiatives, FedDev Ontario is driving

economic and community development, innovation, and economic diversification, while contributing to the success of communities, businesses, educational institutions and not-for-profit organizations. All of these activities contribute to FedDev Ontario’s vision: a prosperous and globally competitive Ontario.

Investing in Business Innovation

Investing in Business Innovation, FedDev Ontario program, boosts private sector investment in start-up businesses to accelerate the development of new products, processes and practices and bring them to market. It also helps angel investor networks and their associations attract new investment and support the growth of angel investment funds.

Testimonial

The NAO-On has not only been instrumental in the start-up of Angel Groups in Ontario, and providing ongoing operational support, but has also led to the establishment of a provincial network of Angel groups that we now find critical for the ongoing success of the South Western Ontario Angel Group (SWOAG). We rely on the network for deal syndication, access to expertise, review of best practices, and the testing of innovative deal structures. I know our submitting companies also recognize the strength of the network and the support it provides to them in simplifying the investment process.

Carmen S. Gicante
Managing Director
Southwestern Ontario Angel Group (SWOAG)

An Unsung Story

The goals of the Network of Angel Organizations – Ontario (NAO-Ontario) have always been: to ensure access to Angel capital in every region and innovative sector of the economy; to further develop and implement best practice in the organization of Angel investors; to boost Angel investment into Ontario’s most promising companies; and to build the profile of this economically crucial community.

This year was crucial in our development and in the achievement of these goals. To support continued growth, NAO-Ontario has developed a new team, brand, and office location. The Angel Network Program (ANP) we administer, supported by the Government of Ontario, has grown from eight Angel investor groups to ten. And our Investing in Business Innovation Outreach (IBIO) program, funded by the Government of Canada, has made its debut. Ontario’s Angel community is growing as never before.

Consequently, although small, NAO-Ontario’s leveraged impact on Ontario’s economic prospects, as well as its innovation system, has been significant. Since 2007, members of ANP-supported Angel investor groups have invested in deals with a total reported worth of over \$100 million. Over \$21 million more has been mobilized via other Angel networks listed for the IBI program. Deserving company founders put this funding to hard work, by constantly “finding a way” through resource and time constraints with true entrepreneurial spirit.

And contrary to some stereotypes , the 1,100-plus jobs created by these companies since 2007 have often been high-value and greatly attractive to skilled employees coming out of larger organizations in order to make their own mark. Their

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independence, creativity and perseverance find ready application in Ontario’s newest economic challengers, and this alone serves as a strong endorsement of what the Ontario Network of Excellence (ONE) as a whole has set out to do.

We are proud to work alongside fellow members of the Ontario Network of Excellence to build Ontario’s economic future in these ways, and the exciting prospect of further synergies and network potential ensures this story will continue to be compelling for years to come.

Personally, I am grateful for the opportunity to serve my fellow Angel investors as Chair of NAO-Ontario, and to serve the public in this capacity as well. It has been very satisfying to witness the growing recognition and support of innovation in Ontario by all levels of government and other stakeholders, and I look forward to seeing even greater “network effects” arising from Ontario’s Angel investment community in the near future.

Dr. Patricia Lorenz MBA, CA, CPA, DVM
Network of Angel Organizations - Ontario
Chair of Board of Directors





Sparks will fly

I am very pleased to deliver this Annual Report, particularly to the supporters and stakeholders who have laboured so long to realize our vision. At every meeting of Angel investors, they see how creative sparks brighten everything when Angel investors and promising entrepreneurs combine, so they surely deserve to know that the sum total of the effort is ultimately as transforming as any one occasion.

Our role is quite different from any other participant in the innovation system. NAO-Ontario doesn't make investment decisions, or choose the entrepreneurs "most likely to succeed", or even pool any capital. We simply support and co-ordinate Angel investors' own efforts to self-organize, region by region, under a set of rules that ensure the work is done by Angels and for Angels.

This we consider to be essential, 21st-century infrastructure development. As with any previous century's infrastructure, this is ultimately intended to allow the development of a prosperous economy that completely realizes the technological and social potential of the times.

However, as you will see on our Performance Measures page herein, our surveys of Angel investor groups' activities continue to demonstrate that this approach is working. The Angel Network Program has strengthened its results in its fifth year of operations, and at last achieved the goal of providing access to Angel capital in every region of Ontario.

Angel investors are famously independent-minded and inquisitive people. It takes genuine effort and skill to impress them. But contrary to televised depictions, they do not critique

for amusement's sake, but out of a genuine and cheerful passion for entrepreneurship and innovation. Every company founder who has an opportunity to exchange knowledge with an Angel should take it, without hesitation. Angels' experience, connectivity and talents are even more important than their capital.

Angel investors also appreciate that, by joining a regional, non-profit, membership-based group of their peers, they may connect to Angels and entrepreneurs across Ontario, via the Ontario Network of Excellence and the Angel Network Program. As a result, I have enjoyed seeing the sparks that fly when Angel investors themselves convene to share knowledge. This is truly becoming a community of practice, its members ascending a considerable learning curve to fill a reservoir of understanding that will serve our economy and society well in the years to come.

The Angel Network Program and the Investing in Business Innovation Outreach Program, both administered by NAO-Ontario, have achieved significant results in 2012. This is thanks to the considerable effort, perseverance, and vision of our staff, directors & officers, a close-knit group who nonetheless continue to make every effort to stay in touch and in tune with our growing community. It has been a privilege to serve in their ranks, and I look forward to seeing where next they take our vision and mission.

Paul Connor
Network of Angel Organizations - Ontario
President and Executive Director



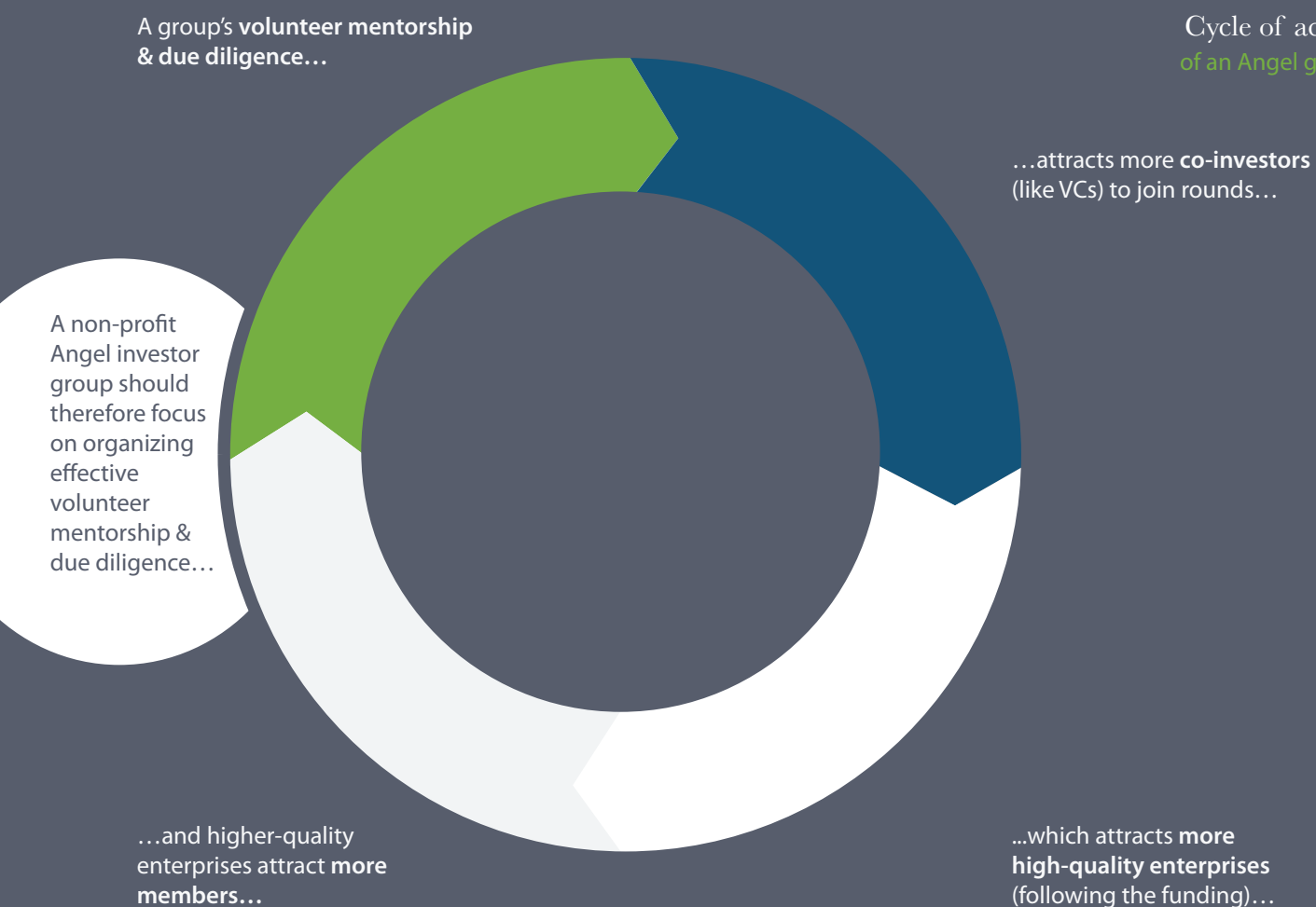
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[Angel investor group model]

Angel Group Dynamic typical characteristics

- **Nonprofit incorporation**, allowing **eligibility for government support** (i.e. ANP and FedDev Ontario's IBI program)
- **Decisions by Angels for Angels** - this means that:
 - The group **does not act as a broker**, simply a forum for which accredited investors meet, collaborate and co-invest with each other
 - The group's direct role is limited to investor knowledge & network development, and convening investors and entrepreneurs
 - Individuals, not the group, make the assessment of any opportunity and the decision to invest, individually or alongside others
- Often **paid management**, such as 1 executive director and 1-3 administrators
- Membership count of 30 – 300 accredited investors, depending on the group's date of inception
- **Regular investment meetings** where pre-screened start-ups present to the group's members
- **Code of conduct** applied to members and staff
- **Membership fee(s)** are increasingly charged

Cycle of activity of an Angel group



[Government programs]

Ontario's Angel Network Program



Formal Angel groups increase the efficiency of combining accredited investors with entrepreneurs seeking investment, for mutual benefit. For this reason, one of the main goals of the Angel Network Program (ANP) is to create new Angel groups in Ontario where none existed, and foster their success with information and educational tools to transfer the best practices of successful Angels.

In addition, NAO-Ontario and its Angel groups look to Ontario Network of Excellence members, such as Ontario's Regional Innovation Centres, to find new enterprises that Angels may invest in, and to provide companies not yet investment-ready with mentorship and education.

As a result of the ANP, Angel investment has been newly profiled in Ontario and validated as a source of finance and aspiration for early-stage entrepreneurs, by disseminating showcases and tools, as well as through the community outreach efforts and publicly-accessible websites and offices of the Angel groups.

As of March 31, 2012, the ANP had demonstrated that organizing Angel investors generates measurable gains for the innovation economy, with:

- Over 500 members reported by non-profit Angel groups in all major regions of Ontario from Thunder Bay to Toronto, Ottawa to London
- Group members reporting they cumulatively invested over \$37 million into 75 Ontario companies since 2007
- Another \$67 million reportedly invested into these companies, at the same time as the Angels (not including post-Angel follow-on investment), by non-members, venture funds & governments
- From the companies receiving investment that reported their job creation, a total of 1078 positions were noted
- Consequent leverage achieved on program spending reaching a 36 to 1 ratio
- Several knowledge-based tools created to share Angel investors' best practices, including a textbook titled Age of the Angel.

Investing in Business Innovation Outreach Program



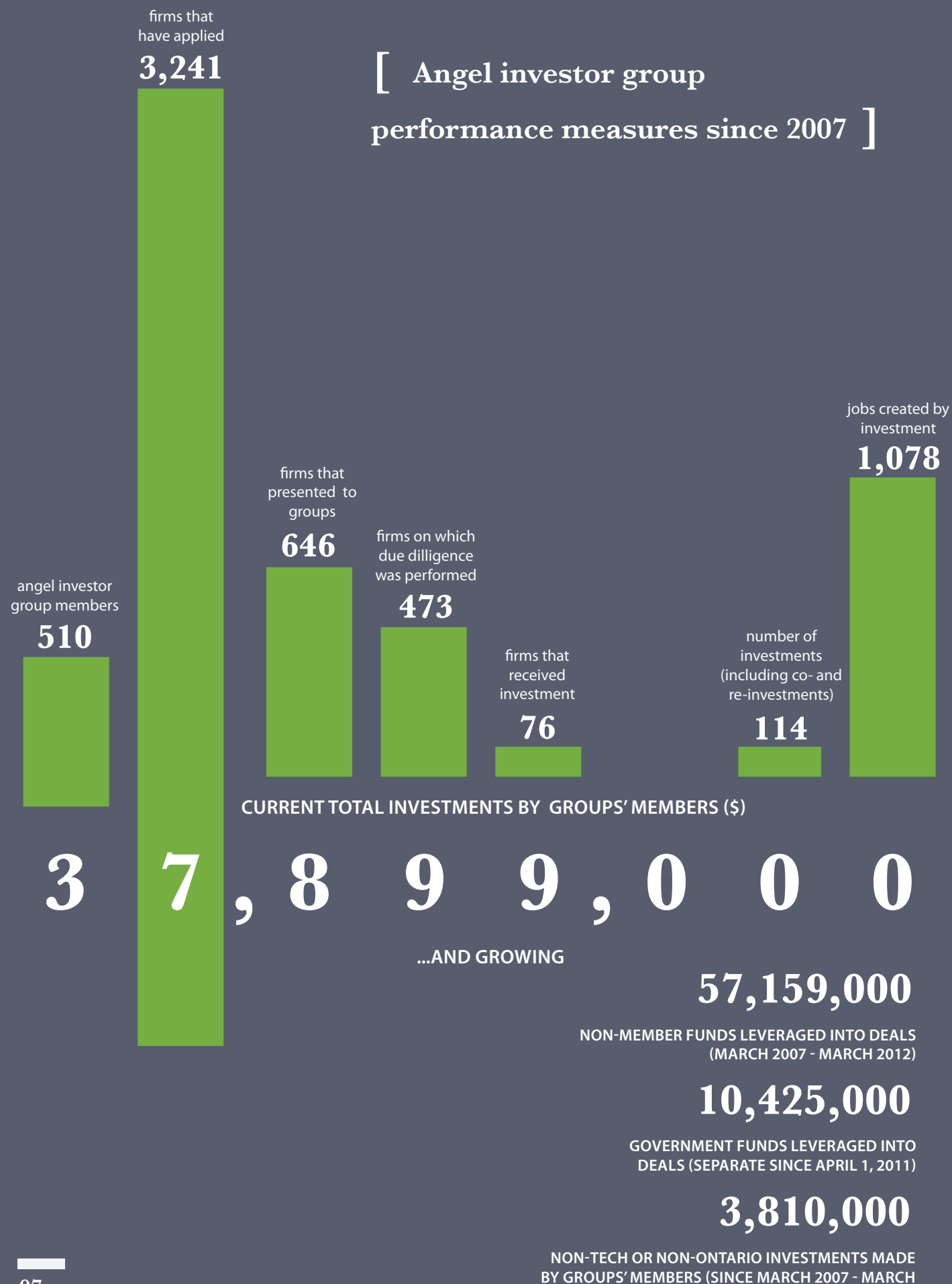
In order to further encourage the growth of organized Angel investing in southern Ontario, the Federal Economic Development Agency of Southern Ontario approved funding over three years (2011-14) for NAO-Ontario's Investing in Business Innovation Outreach (IBIO) program.

This program's primary purpose is to reach out to communities, industrial sectors and others across southern Ontario, and inform them of the benefits of joining Angel investor groups and clubs. Chief among these benefits is FedDev Ontario's Investing in Business Innovation program itself, which matches investments made in eligible southern Ontario companies by eligible Angel investor groups and clubs, as well as venture capital funds, on a 1:2 basis via repayable, non-interest-bearing loans.

All members of non-profit Angel groups and clubs in southern Ontario that are listed with NAO-Ontario may apply to the Investing in Business Innovation program.

In addition to communicating Angel organization membership benefits, the IBIO program administers the Angel club listing process and helps increase the capacity of Angel organizations in southern Ontario to serve their members effectively.

[Angel investor group performance measures since 2007]



[Ontario Angel groups]

Angel Groups now operate across Ontario



Golden Triangle Angelnet (GTAN) is an experienced group of private investors looking for dynamic entrepreneurs, dynamic products and dynamic companies. GTAN members help accelerate companies in the Kitchener-Waterloo, Guelph and Cambridge region to become market leaders in their industry by bringing together investment, experience and knowledge.



Maple Leaf Angels (MLA) is a group of private investors from a wide variety of backgrounds and careers. They collectively possess deep expertise in information technology, manufacturing, alternative energy, finance and services, and these are typically but not exclusively the industries they invest in.



Northern Ontario Angels (NOA) connects Northern Ontario entrepreneurs with the right investors and resources to help them build and grow their businesses. They work to facilitate the flow of investment capital, education and management expertise into high-growth Northern Ontario companies.



PARTEQ Angel Network (PAN) is a group of Angel investors formed by PARTEQ Innovations of Queen's University, not-for-profit technology transfer office of the University, part of the Rideau Commercialization Network.



The **Angel One Investor Network** is a members-only not-for-profit organization for accredited investors who live, work or have strong interests in Oakville, Burlington, Hamilton and surrounding areas. The organization provides Angel investors with opportunities to increase their exposure to quality pre-screened companies seeking capital.



Southwestern Ontario Angel Group (SWOAG) is a group of accredited investors that support economic development in London and the Southwestern Ontario region. SWOAG provides its members a medium to interact and share investor best practices. SWOAG possess a vibrant entrepreneurial spirit that enables its members to effectively identify and act on investment opportunities.



The **Niagara Angel Network (NAN)** is a privately driven initiative that brings together individual investors from across the Niagara Region. Members of the Niagara Angel Network, or "Angel investors" combine their wealth of knowledge & experience to collaborate and invest in early stage growth companies.



York Angels Investors (YAI) provides a supportive linkage between local entrepreneurs seeking early and mid-stage capital, and investors with a commitment to the economic development of York Region and to the entrepreneurial spirit of their community.

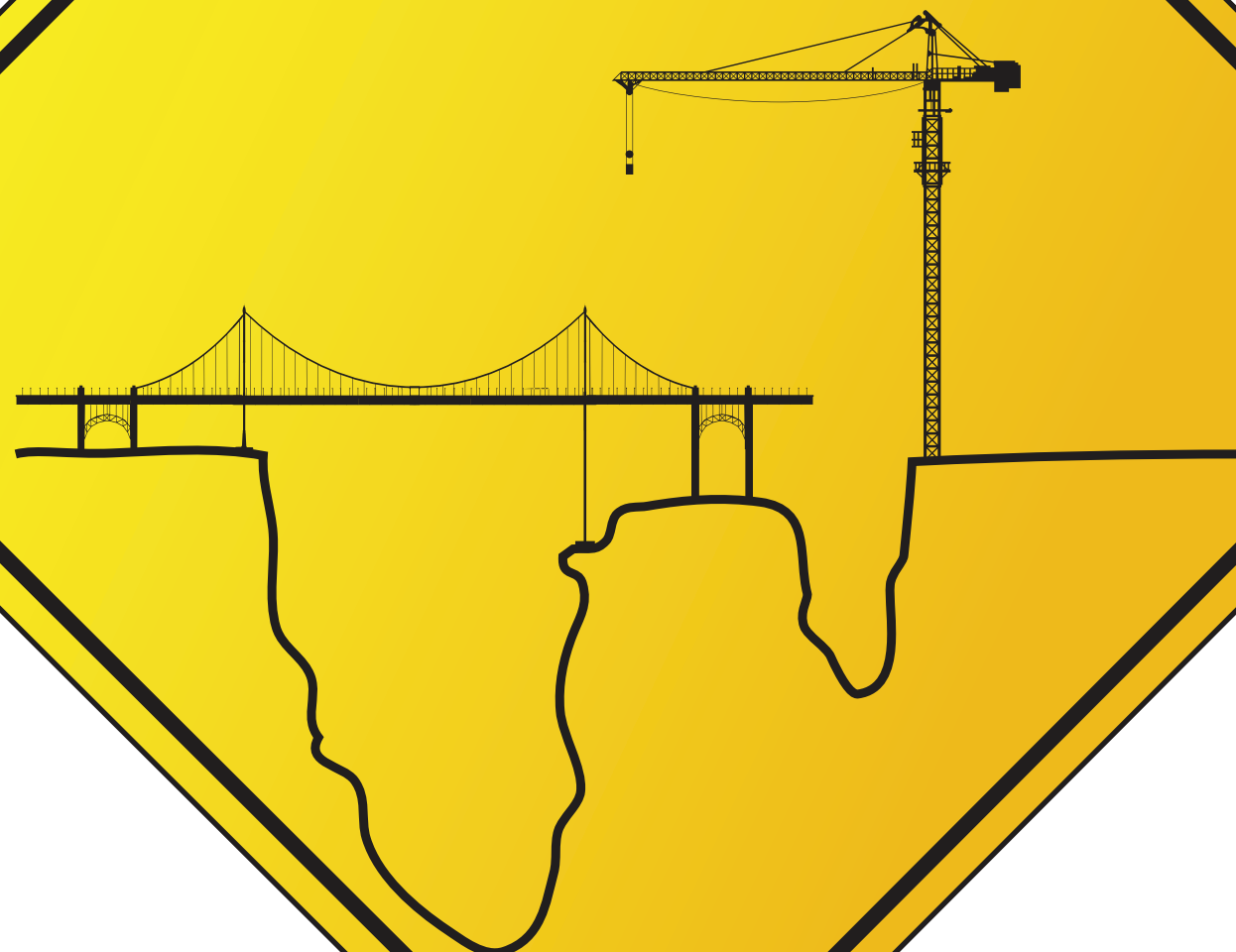


The **Ryerson Angel Network (RAN)** is the first university-led Angel Investor group in Canada. Their mandate is to provide funding, mentorship and resources to youth-led businesses (current post-secondary students and recent alumni under 35 years of age) within Southern Ontario.



Launched in the spring of 2010, the **Capital Angel Network (CAN)** is a network through which accredited Angel investors can view pitches and collaborate with other Angels. CAN gives Angels in the Ottawa region a forum to hear other perspectives and receive feedback on their own before taking on any risk.

Funding Gap Angels At Work



Angel investor group makes going abroad possible for local start-up

Miovision now employs close to eighty individuals, has over \$4M in annual revenues, and sixty-plus global customers

Last year, members of the Golden Triangle Angelnet (GTAN) of Kitchener-Waterloo, Guelph and Cambridge catalyzed a significant round of capital investment totalling \$1.1 million in Miovision, an automated traffic data collection systems supplier.

The significant investment provided by GTAN's members has been invaluable to the company's performance, increase in staff and payroll, and ability to secure other investment opportunities.

In just 6 years since founding, Miovision opened its first European sales office in Cologne, Germany. Representatives of Miovision state "that without the support of the GTAN, the significant expansion abroad would not have been possible." The seven employees working at the Cologne site enhance Miovision's communication with the European market in a much more efficient manner.

"It would have been difficult for us, fresh out of school, to have established Miovision in the way that we have without the investors we met through the GTAN. Not only did the GTAN provide the support we needed financially, but by presenting to a group of investors as opposed to having to seek them out individually, we were able to focus our time on developing our products and our business. This subsequently enabled us to go to market and see profits significantly sooner." Kurtis McBride, CEO

Miovision is a developer of video and web-based technologies that target the inefficiencies faced by traffic consultants and municipal governments. Their automated count system aims to replace cost-intensive manual processes. The technology is complemented by an online data collection process, where the information can be managed and analyzed quickly. In 2005, Miovision became the first company to join the Accelerator Centre in Waterloo. Having started with only three employees, the company now employs close to eighty individuals, has over \$4M in annual revenues, and sixty-plus global customers.

Since 2010, Miovision has been the recipient of three awards, the Ontario Centre of Excellence 'Mind to Market' Award (2010), the Golden Triangle Angelnet 'Company of the Year' Award (2011) and the Waterloo Region Record 'Top 40 Under 40' Award (2011).

Ontario Angels assemble the broadest syndicate yet

Twenty-seven members from five Angel groups invest alongside the Ontario government in Toronto venture, Viafoura

Members of Golden Triangle Angelnet (GTAN), the Sudbury chapter of Northern Ontario Angels (NOA), York Angel Investors, (YAI), Niagara Angel Network (NAN), and Angel One Investor Network (AngelOne) recently united to make a substantial undisclosed investment in the Toronto-based start-up, Viafoura.

This is the most geographically extensive syndication to date among organized Ontario Angels.

Viafoura was brought to the attention of Angel investor and entrepreneur Marc Castel through Communitech, an innovation hub in Waterloo. “They had made quite a bit of progress and had built an impressive team bootstrapping the business with their own money,” said Castel. As a member of GTAN, Marc offered them an opportunity to present to GTAN’s selection committee where they ultimately attracted multiple individual investors from the Waterloo region. Then word spread and the company attracted further interest from NOEG, YAI, AngelOne and NAN members, arriving at the involvement of twenty-seven investors in total.

“The pursuit of start-up capital is quite akin to dating. Many entrepreneurs start raising money when they need money. The probability of meeting someone casually that is willing to write you a suitable cheque to help grow your business is slim. Having known that we were going to raise capital, I engaged potential investors from inception. When it was time for a commitment, they were fully informed of our development process and achievements. Making the time for an extended courtship to ensure a level of trust and intimacy exists between the parties is well worth the effort,” said Jesse Moeinifar, CEO of Viafoura.

The company presented to each group and each group’s members performed separate due diligence research. Alongside the Angels, the Ontario Centres of Excellence (OCE)’s Centre for Commercialization of Research completed their own due diligence on the company and co-invested, “making this one of the broadest syndicated investments the province

Viafoura is the leading audience engagement platform for premier digital publishers. The platform adds advanced social functionality to large news and entertainment websites and mobile applications. Through the power of conversation, curation and reward mechanics, Viafoura builds community and drives key business objectives such as page views, length of visit, social shares, return visits, user contributions and revenues.

The Viafoura platform runs as a series of widgets that integrate seamlessly into publishers’ websites, accessorizing their premium content with enhanced social functionality. Viafoura is offered as a hosted software-as-a-service solution available through a set of flexible subscription plans.



has seen. As Angels and government partners continue to work more closely together, good companies are more likely to attract sufficient funding, and the process of locating and closing quality investments will become a much more efficient process,” said Castel.

Putting together a syndicate requires a significant organizational and logistical effort. “Castel played a key role in facilitating dialogue and activities between the members of the various groups, which was critical to syndication,” said Nick DiPietro, Executive Director of NAN.

Angel investors also bring a wealth of experience to start-ups and in this case, lead investors Benton Leong and Steve Gilpin of GTAN made a positional impact on the company’s go-to-market strategy, accelerating the milestones they were able to achieve. Both Angels have a seat on the company’s board of directors; thus making themselves available beyond what is typically afforded to entrepreneurs. “If we needed their business insight or access to their networks, they stepped up right away,” says Moeinifar, “their passion for the team and entrepreneurship in general is an asset we’ve been very fortunate to have.”

Last year, Viafoura was chosen from 50 companies at Canada 3.0 to attend the Banff Venture Forum. The company has since grown to 17 employees, and has paying customers. “We were very excited that we managed to attract enough Angels and government funding to complete a major all-Ontario financing round, and are looking to contributing to southern Ontario’s economic base and Canada as a whole,” said Moeinifar.

About OCE Inc.

Ontario Centres of Excellence (OCE) Inc. (www.oce-ontario.org) drives the commercialization of cutting-edge research across key market sectors to build the economy of tomorrow and secure Ontario’s global competitiveness. In doing this, OCE fosters the training and development of the next generation of innovators and entrepreneurs and is a key partner with Ontario’s industry, universities, colleges, research hospitals, investors and governments. A champion of leading-edge technologies, best practices and research, Ontario Centres of Excellence invests in sectors such as advanced health, digital media and information communications, advanced manufacturing and materials, and cleantech including energy, environment and water. OCE through its Centre for Commercialization of Research (CCR), an initiative supported by the federal government, also acts as a catalyst which allows innovative businesses to grow and achieve sustainable commercial success and global competitiveness. Ontario Centres of Excellence is a key partner in delivering Ontario’s Innovation Agenda as a member of the province’s Ontario Network of Excellence (ONE).

Company exits with satisfying returns for Angels

Southwestern Ontario Angel Group credited with reducing and simplifying the development process that led to a successful merger

Incorporated in 2002, Scisense Inc. is now a leading manufacturer of micro-sensing technologies for medical research applications, including the measurement of blood pressure, volume, and electrocardiogram (ECG). The Scisense team represents decades of engineering design and manufacturing expertise and in-depth knowledge of biomedical research and instrumentation.

Scisense received investment from members of Southwestern Ontario Angel Group (S.W.O.A.G.) during the early stage of the organization, in the first quarter of 2008.

At the time, the opportunity in Scisense represented the catalyst for the founding members of S.W.O.A.G. to establish an Angel investor group in London, Ontario.

In 2010, The Mezzanine Group, a growth services firm based out of Toronto, awarded Scisense a \$75,000 prize for winning a marketing plan contest. The recognition was commended by S.W.O.A.G. members who applauded management for taking the initiative to apply for the contest. Members also highlighted that the distinction attested to the quality of the company as a whole and management’s business acumen.

On July 1, 2011, Scisense revealed that it had merged with Transonic Systems Inc., a company based out of Ithaca, U.S.A. This constituted an “exit” that yielded a satisfying return for the Angel investors who supported the company from its early days. The members were very pleased with the result of the

Scisense Systems Inc. is a leading manufacturer of micro-sensing devices for medical research applications, including the measurement of blood pressure, volume, and ECG. The Scisense Team represents decades of engineering design and manufacturing expertise and in-depth knowledge of biomedical research and instrumentation.



merger and the company’s decision to stay within London, Ontario. Furthermore, Blair Poetschke, President and CEO of Scisense, Inc., alongside his management team, will retain their positions in the merged company. The merged company is expected to now possess a more complete skillset and expand their product line in the up-coming future.

It is firmly believed that if it were not for Angel Investors, Scisense would have been subjected to a lengthier and more complicated development process. At the time, the likelihood of management receiving funds from an alternate source was not promising. To add to their contribution, S.W.O.A.G. members provided qualitative support through annual investor meetings, mentoring, introducing new networks and marketing.

Going forward, the members of S.W.O.A.G. will not be formal shareholders; however they will maintain a working relationship due to the nature of the business community and expertise they continue to offer.

Angel Network Program in action

Northern Ontario Angels links an innovative venture with a significant round of smart money

Six members of Thunder Bay's Angel investment group organized by Northern Ontario Angels (NOA) have invested a total of \$3.5 million in IGY Life Sciences & Technology Inc., a three-year-old biotechnology company specializing in the extraction, development and commercialization of broad spectrum antibodies, or immunoglobulin (IgY).

The initial investment was \$3.5 million with an additional \$2 million injected to purchase the technology. The investment was received in four installments of cash, in-kind contributions and warrants. Currently, members of the Venture Alberta Angels are completing due diligence as they prepare to provide an additional round of capital.

This investment mobilized the driving forces behind the venture. "In a pre-cash company, Angel Investors are the key to making the first sale. Without the investors this business or the potential for job creation would not have happened," said founder Terry Dyck.

With a staff count grown to ten, the company is now on the brink of commercialization; markets are secured and intellectual property including patents for the breakthrough technology have been acquired.

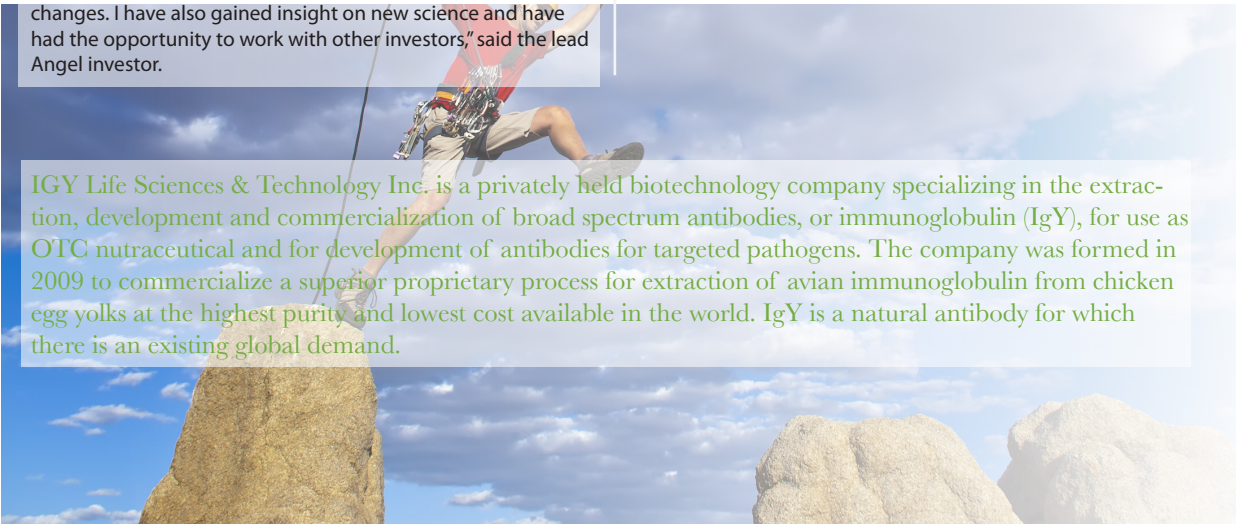
NOA members are providing mentorship, seeking additional investors, and serving on the Board of Directors. Thanks to the Angels and this entrepreneur, the company has secured enough funds and bandwidth to continue to move forward well within their projected timelines.

"This type of investment provides me an opportunity to make a difference in our future. It has been very exciting to be part of a breakthrough technology that will make so many positive changes. I have also gained insight on new science and have had the opportunity to work with other investors," said the lead Angel investor.

IGY Life Sciences & Technology Inc. is a privately held biotechnology company specializing in the extraction, development and commercialization of broad spectrum antibodies, or immunoglobulin (IgY), for use as OTC nutraceutical and for development of antibodies for targeted pathogens. The company was formed in 2009 to commercialize a superior proprietary process for extraction of avian immunoglobulin from chicken egg yolks at the highest purity and lowest cost available in the world. IgY is a natural antibody for which there is an existing global demand.



Mary Long-Irwin, executive director of NOA, said, "Without Angels, this project would not have enjoyed the success it has to date. With the number of jobs created and the potential for more, this leading-edge company has the opportunity to move forward and be a part of the North's new economy."



Members of Angel One Investor Network Close Their First Deal

Quant Interpretations Inc. Rapidly Wins Early-Stage Financing from Local Angel Investors

Members of the Angel One Investor Network (Angel One), operating in Hamilton and Halton region, contributed a first tranche of capital investment totalling \$160,000 in Quant Interpretations Inc., an innovative market intelligence company that is developing a suite of online consumer intelligence report tools to businesses. The funding will go toward the growth of the company and market penetration.

To achieve accurate and timely market intelligence, one must allocate considerable resources and time. Significant inefficiencies and limitations exist for both large and small Canadian companies in this regard, and these commonly result in missed opportunities and poor decision making.

Requiring just seconds, Quant's patent pending online services automate the market intelligence process and instantly generate interpreted, easy-to-read profiles of target markets and preferred clients; intelligence needed to attract new customers, retain existing customers, develop new products and services, optimize site locations, and improve overall sales and profitability performance.

By digitizing the conduct of market research, Quant will help organizations access deep information about their customers in less time without compromising quality.

"Quant Interpretations has taken our members by storm. The company presented to Angel One members November 2nd and closed its first round with members shortly after, with more investors lined up to participate in the next round. Angel One is delighted to be able to bring this type of quality opportunity to its members," says Karen Grant, Angel One's executive director.

Quant founder Brad Ross stated, "The Angel One investors are bringing so much more to us than just funds. We have been introduced to new sales opportunities that we would otherwise not have accessed at this stage on our own. The partnership will play a key role in achieving our expected growth."

Quant is dedicated to improving the productivity and performance of Canadian companies by improving the speed and accuracy at which they receive market data for use in key business decisions. Quant is the recipient of 2 regional awards (1) Grand Prize at Hamilton's Innovation Night on April 13, 2011 (2) Finalist in the 2011 Lion's Lair competition in Hamilton, Ontario, conducted by the Hamilton Chamber of Commerce and the Innovation Factory



Eligibility for matching funds via Angel group and network membership

NAO-Ontario has been asked to maintain a listing of active Angel investor networks (including groups and clubs) for the purposes of determining eligibility for FedDev Ontario's Investing in Business Innovation program. This program provides matching funds to selected southern Ontario businesses that receive investment from eligible Angel investors and venture capital funds.

All members in good standing of incorporated Angel Network Program investor groups are considered eligible to apply for this program.

Also, to assure reasonable access to this program, NAO-Ontario accepts listings from unincorporated Angel networks that apply to us and provide a charter assuring that they:

- Are operated by Angels and for Angels (i.e. by securing Accredited Investor Declaration Forms from each member)
- Will provide quarterly statistics to NAO-Ontario, and
- Will keep their contact information up to date

The onus is on the network representative and the company receiving investments to ensure that the investors involved are accredited and aware of the risk and returns of Angel investing.

NAO-Ontario has no role in determining which Angel-invested companies receive matching funds from the Government of Canada, and all Angel networks are strongly encouraged to obtain professional advice with respect to regulatory, legal, or fiduciary concerns.

The Investing in Business Innovation program is an exciting opportunity



NAO-Ontario Hosted and Supported Events

A **Follow-on Funding Forum**, held annually to showcase second-round Angel investment opportunities, which are brought forward by Angel group members, in collaboration with MaRS Investment Accelerator Fund (IAF), the Regional Innovation Centres (RICs) and the Sectoral Innovation Centres (SICs). The event usually arises from Co-investment Summits supported by NAO-Ontario. The event also showcases the ANP and/or supported Angel Groups in a particular region to independent Angel Investors or small Angel investing clubs.

Educational Workshops based on topics that Angel Group managers have identified as of interest to them, their members, and/or their investee companies. Topics have or will include:

- Boosting group sustainability
- Using Gust (a software platform) for more efficient administration and investment activities
- New term sheet examples arising from investment experiences 2008-2011
- Assessing the intangible assets of a company
- Managing Angel group due diligence processes more effectively

Regional Angel Showcases co-hosted with Angel organizations, accelerators and others.

A **Growth Entrepreneur Education Event**, held annually for SMEs, and focused on helping companies prepare in advance for Angel capital. The event can include panel discussions, a keynote and sample pitches from Angel-backed companies.

[Provided resources to Angel investor groups]

Angel networks, focused on operational issues such as membership development, may request the Angel Network Program (ANP) for resources that support additional operational success. The types of resources available include a directory of Angel investor groups, textbooks of best practices, and an Angel Group start-up package.

- New resources are developed on an ongoing basis as required. Examples include:
- More group start-up package elements, such as how to grow and manage volunteer resources
 - Online resources to assess sector-specific interests and abilities among Angel groups' members, allowing sector-based referrals of opportunities and technical expertise (i.e. from SICs) among them
 - An online form to self-qualify entrepreneurs for investment or other assistance
 - Case studies of instructive Angel investments



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YASMINE KUSTEC
MARKETING MANAGER



BRANDON CORMAN
BUSINESS DEVELOPMENT
MANAGER



LEYÜZE KOZANOGLU
BUSINESS DEVELOPMENT
MANAGER

NAO-Ontario's volunteer board of directors consists of passionate individuals who generously donate their time to the betterment of the organization and the Angel community at large.