

EXITS Workshop

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Secondary Markets and New Types of Buyers

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SFU

Liquidity

- The Investor's options
public or private?
- The Investee's options
public or private?
- The GreenAngel model
public AND private

Investing or Gambling?



- 20 year returns: S&P500: 8.2%
Mutual funds 3.2%
Retail VCCs <0%
- 2000-2009 ALL indices <0% except SPX at 3.9%
- Buffet philosophy: buy and hold
- Speculating: high risk/high reward
e.g. mining sector
- Angel (private) investing: 27%

Pick a Winner:

| Portfolio 1 - GREEN STOCKS | | 16:15:25 EDT - Update in 7 seconds Pause → View Portfolio 2 3 Live Ticker Edit Portfolio Value Portfolio D | | | | | | | | | | | | | | | |
|----------------------------|------|--|-------|--------------|--------|-------|---------|-------|-------|-------|-------|---------|---------|-----------------|-----------------|--------------|----------|
| Sym +Names | Bid | Ask | Last | Chg | %Ch | Vol | \$Vol | #Tr | Open | Hi | Lo | Year Hi | Year Lo | Last Tr | News | Delay | |
| ART - V | 23.0 | 0.105 · 0.14 | 25.5 | 0.105 | | | | | | | | 0.40 | 0.105 | Jun 02 10:16:34 | May 25 | realtime | |
| AXY - T | 10.5 | 0.80 · 0.81 | 24.5 | 0.80 | -0.02 | -2.4 | 545.9 | 435 | 316 | 0.80 | 0.81 | 0.77 | 1.53 | 0.80 | 15:59:58 | Jun 01 | realtime |
| AZD - T | 1.0 | 0.295 · 0.30 | 104.5 | 0.30 | +0.04 | 15.4 | 1,142.8 | 330 | 164 | 0.265 | 0.305 | 0.265 | 0.405 | 0.24 | 15:58:16 | 07:50 | realtime |
| BEV - T | 6.1 | 2.06 · 2.10 | 0.6 | 2.06 | -0.07 | -3.3 | 44.6 | 92 | 64 | 2.11 | 2.11 | 2.02 | 2.47 | 1.72 | 15:44:25 | Jun 06 | realtime |
| BLD - T | 0.7 | 1.65 · 1.66 | 2.9 | 1.65 | -0.07 | -4.1 | 31.4 | 54 | 91 | 1.75 | 1.75 | 1.65 | 2.45 | 1.34 | 15:59:51 | Jun 02 | realtime |
| CMH - T | 34.0 | 0.56 · 0.58 | 4.5 | 0.56 | -0.01 | -1.8 | 36.8 | 21 | 23 | 0.57 | 0.57 | 0.56 | 0.83 | 0.47 | 15:59:35 | Jun 01 | realtime |
| EFL - T | 0.4 | 1.95 · 1.98 | 0.8 | 1.96 | -0.10 | -4.9 | 72.2 | 144 | 191 | 2.05 | 2.06 | 1.95 | 3.85 | 1.86 | 15:54:30 | May 20 | realtime |
| FVR - V | 0.5 | 0.66 · 0.69 | 2.0 | 0.66 | -0.02 | -2.9 | 13.4 | 9 | 6 | 0.68 | 0.68 | 0.65 | 1.65 | 0.45 | 12:58:44 | May 17 | realtime |
| GAE - V | 6.5 | 0.195 · 0.21 | 11.5 | 0.21 | +0.01 | 5.0 | 35.0 | 7 | 5 | 0.20 | 0.21 | 0.20 | 0.22 | 0.10 | 15:00:09 | Jun 06 | realtime |
| GRN - V | 1.0 | 0.18 · 0.19 | 1.0 | 0.15 | -0.03 | -16.7 | 34.5 | 6 | 11 | 0.18 | 0.19 | 0.15 | 0.40 | 0.18 | 15:54:52 | Jun 06 | realtime |
| LEC - V | 2.0 | 0.19 · 0.20 | 17.0 | 0.20 | -0.01 | -4.8 | 26.6 | 5 | 8 | 0.19 | 0.20 | 0.18 | 0.27 | 0.08 | 15:55:20 | Apr 28 | realtime |
| LED - V | 0.5 | 0.56 · 0.57 | 10.0 | 0.59 | | | | | | | | | 0.87 | 0.375 | Jun 07 14:42:41 | May 17 | realtime |
| LPS - V | 98.0 | 0.105 · 0.12 | 26.5 | 0.105 | -0.005 | -4.5 | 10.0 | 1 | 2 | 0.11 | 0.11 | 0.105 | 0.60 | 0.10 | 15:38:56 | May 10 | realtime |
| NKV - V | 15.5 | 0.15 · 0.155 | 6.5 | 0.155 | -0.005 | -3.1 | 213.3 | 34 | 20 | 0.16 | 0.165 | 0.155 | 0.43 | 0.095 | 15:50:35 | May 16 | realtime |
| RLE - V | 2.5 | 0.48 · 0.50 | 5.0 | 0.48 | | | 86.6 | 42 | 6 | 0.48 | 0.485 | 0.48 | 0.75 | 0.19 | 13:59:30 | May 31 | realtime |
| WFI - T | 0.2 | 21.80 · 21.92 | 0.2 | 21.81 | -0.36 | -1.6 | 4.2 | 92 | 26 | 22.15 | 22.15 | 21.74 | 27.95 | 21.70 | 15:39:39 | May 20 | realtime |
| WPT - T | 1.4 | 19.35 · 19.47 | 1.4 | 19.36 | -3.48 | -15.2 | 285.7 | 5,801 | 1,675 | 21.80 | 21.80 | 19.29 | 26.77 | 14.14 | 16:00:00 | 07:41 | realtime |

So, WHO else will invest?

- Only 2% of the population is “accredited”
- Only 10% of that is keen on tech (=0.2%)
- Do you know any VC’s that invested in mining plays?
- Challenge: tap the retail investor

It worked for mining companies

- Rapid fire news & speculation
- Many retail investors
- Easy in/easy out
- Even though there were lots of losers

Will it work for Tech Companies?

- It did for many:
RIM, QLT, Ballard, Westport, Carmanah, Burntsand
- Because they thought “big”
- But, can we live with some losers?
(and can we be a little more patient?)

Pooling & Co-investing

A “Pool”....

- invests in several companies
- has many investors
- co-invests with knowledgeable angels
- improves the odds, gets you closer to 27%

An alternative:



Invests in Private Companies
Offers liquidity (at least some)
to investors AND company founders
Longer term play

TSXV:GAE

Initial Investments

- REV Technologies Inc - electric drive systems (8.7%)
- Habitat Enterprises Ltd – carbon credit (12.2%)
- DPoint Technologies Inc - ERV membranes (7.7%)
- Paradigm Environmental Tech – anaerobic digesters (5.5%)
- Delaware Power Systems Inc - battery systems (5.5%)
- Light-Based Technologies Inc - LED controls (10.2%)

.....and more to come!

TSXV:GAE

Initial Investments

- Initial (book) value in Oct. '09 \$2.1 M
- Market value today: \$3.2 M
 - +51.4 %
 - \$0.22 per share net asset value
- Expected value in 2011-2012: \$7.1 M
 - +241 %
 - \$0.49 per share net asset value

TSXV:GAE

More info...

www.greenangelenergy.ca

TSXV: GAE

