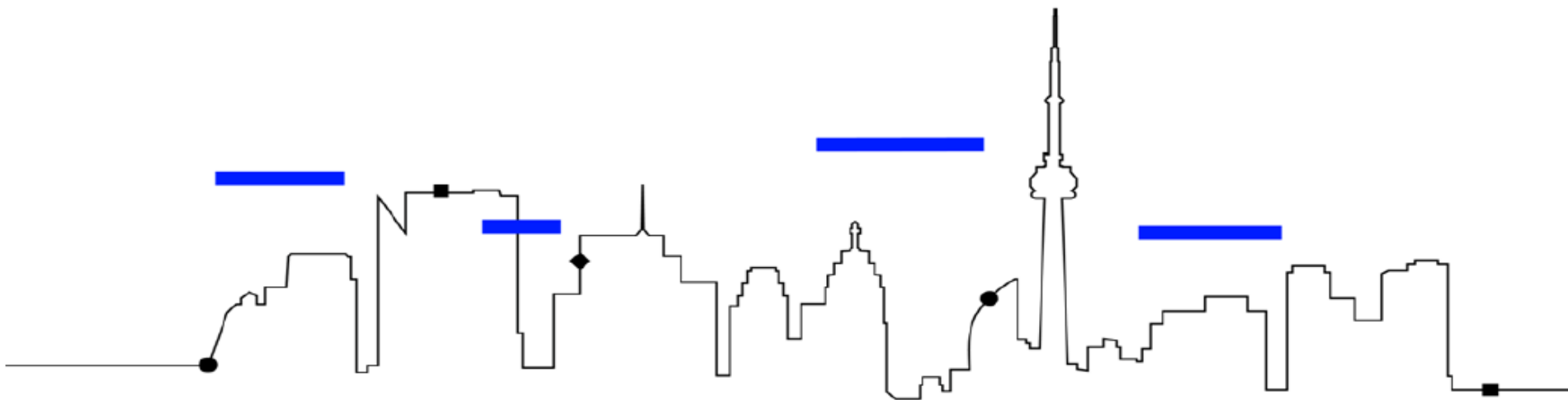


# Canada Venture Capital Review

FIRST QUARTER 2020



# Canada Venture Capital

First Quarter 2020 | Canada Venture Capital Review

## Canada Venture Capital Deals Intelligence

### CANADA VENTURE CAPITAL INVESTMENT TOTALS CA\$1.6 BILLION

Canadian venture capital continued its healthy pace following a record-setting 2019 with CA\$1.6 billion invested across 134 rounds in the first quarter of 2020. This total was up 14% year-over-year, was the strongest first quarter ever recorded, and marked the sixth consecutive quarter with investment greater than CA\$1 billion.

### TWO ROUNDS OVER CA\$100 MILLION COMPLETED DURING THE FIRST QUARTER

Only two venture capital rounds surpassed the nine-figure mark through the end of March, down from the average set by the twelve such rounds completed throughout 2019. Topping the list for the quarter was the CA\$270 million merger between non-destructive testing (NDT) companies Eddyfi and NDT Global, backed with equity provided by Novacap and Caisse de dépôt et placement du Québec with additional debt financing from National Bank of Canada and Investissement Québec. AI-applied traffic management business, Miovision, also raised CA\$120 million in a round led by TELUS Ventures with support from McRock Ventures in order to accelerate growth and hire additional employees. Rounding out the top 3 for the quarter was the CA\$99 million investment into Vancouver-based precision farming platform SemiosBio Technologies, led by the Boston-based Morningside Group.

### QUEBEC AND ONTARIO BUSINESSES ACCOUNT FOR 76% OF ALL INVESTMENT

Companies based within Quebec saw CA\$621 million invested across 45 deals, resulting in 7th place for dollar values and 5th place for volumes in the provincial & state rankings. Ontario followed closely behind in both with CA\$599 million financed across 44 deals for dollar and volume rankings of 8th and 6th, respectively.

### CANADIAN FUNDS CONTRIBUTE 68% OF VENTURE FINANCING

Domestic funds invested CA\$870 million in Canadian companies through the end of March, a 68% share of all disclosed dollars. This was up from the 45% share throughout the entirety of 2019 and higher than any annual share since 2012. Funds located within the United States supplied only 27% of the funding during the quarter, lower than any annual share since the 25% in 2008.

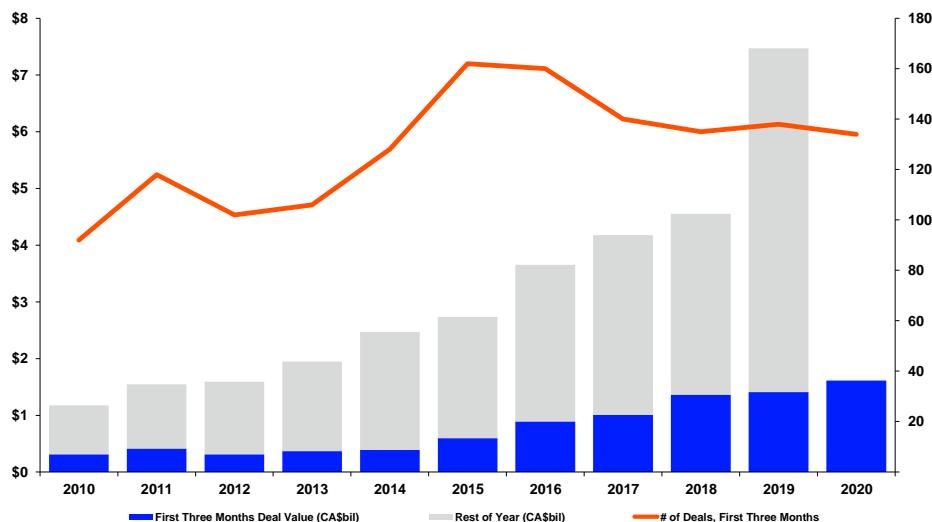
### VENTURE CAPITAL FUNDS RAISE CA\$398 MILLION

A total of 6 Canadian VC funds recorded closes during the first quarter, raising a combined CA\$398 million in commitments, a decrease of 75% compared to a year ago. Round13 Ventures led the way with CA\$225 million in commitments across two funds in the quarter, CA\$125 million going to its second flagship venture fund and CA\$100 million for the first closing of a new growth equity fund. The largest closing during the quarter was CA\$151 million of additional commitments for Georgian Partners Growth Fund V, bringing its total commitments to CA\$1.1 billion.

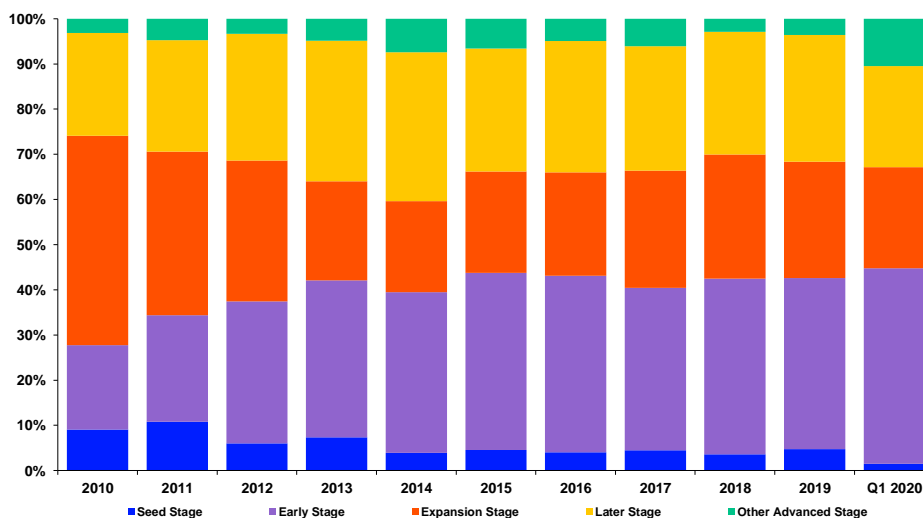
### CANADA VENTURE CAPITAL-BACKED EXITS TOTAL CA\$2.7 BILLION

Canadian companies completed 8 VC-backed exits during the quarter worth CA\$2.7 billion, a 33% decline in the number of exits but a 261% uptick in values when compared to the first quarter of 2019. The increase in values was largely thanks to the secondary purchase of Ontario-headquartered Kissner Milling Company by Stone Canyon Industries, a California-based industrial holdings company, with exits by Metalmark Capital Holdings and Silvertree Capital.

## Venture Capital Investment Activity in Canadian Companies



## Venture Capital Deal Volumes (#) by Transaction Type



# Investments

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## Top Canadian Venture Capital Deals

Company Name	Deal Date	Deal Value (CA\$mil)	Sector	Location
Eddyfi/NDT	01/30/20	\$270.0	Industrial/Energy	Quebec, QC
Miovision	01/28/20	\$120.0	Computer Software and Services	Kitchener, ON
SemiosBio Technologies	02/18/20	\$99.3	Internet Specific	Vancouver, BC
TerrAscend	03/11/20	\$80.5	Other Products	Mississauga, ON
Top Hat	02/04/20	\$73.0	Computer Software and Services	Toronto, ON
Deep Genomics	01/07/20	\$51.9	Biotechnology	Toronto, ON
Ada Support	03/19/20	\$44.0	Computer Software and Services	Toronto, ON
Alliance Magnesium	03/13/20	\$40.1	Other Products	Danville, QC
Vention	03/25/20	\$38.3	Computer Software and Services	Montreal, QC
MineSense	02/29/20	\$32.5	Industrial/Energy	Vancouver, BC
Zucara Therapeutics	03/31/20	\$29.4	Medical/Health	Toronto, ON
NorthOne	03/10/20	\$28.8	Computer Software and Services	Toronto, ON

## Venture Capital Investment by Province & State

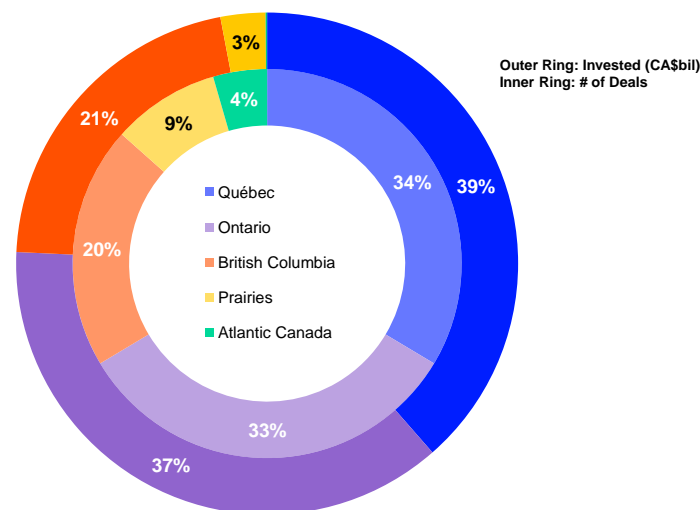
Province/State	01/01/2020 - 03/31/2020	01/01/2019 - 03/31/2019	YoY %	YoY %
	Value (CA\$mil)	Value (CA\$mil)	Chg. (\$)	Chg. (#)
California	\$23,057.6	\$17,755.0	30%	-2%
Massachusetts	\$4,051.7	\$3,631.1	12%	-5%
New York	\$3,584.2	\$6,496.1	-45%	-14%
Texas	\$1,323.6	\$1,434.1	-8%	-36%
Georgia	\$681.0	\$206.6	230%	0%
Illinois	\$629.3	\$427.0	47%	3%
Quebec	\$621.3	\$198.7	213%	5%
Ontario	\$599.0	\$795.7	-25%	-27%
Washington	\$530.9	\$767.3	-31%	-17%
North Carolina	\$430.9	\$55.3	679%	15%
Pennsylvania	\$385.0	\$466.0	-17%	-36%
New Jersey	\$361.7	\$832.6	-57%	-29%
British Columbia	\$342.9	\$300.1	14%	35%
Maryland	\$318.7	\$302.5	5%	11%
Colorado	\$306.8	\$439.2	-30%	-21%
Florida	\$263.7	\$162.4	62%	19%
Virginia	\$235.3	\$202.0	16%	-10%
Utah	\$224.3	\$249.4	-10%	7%
Ohio	\$149.5	\$222.9	-33%	-23%
Missouri	\$122.1	\$149.4	-18%	114%
Connecticut	\$108.7	\$178.5	-39%	10%
Tennessee	\$103.6	\$83.8	24%	-45%
Arizona	\$96.4	\$72.6	33%	-33%
Oregon	\$87.8	\$121.3	-28%	-50%
Minnesota	\$82.2	\$86.7	-5%	-31%

\*Indicates a Tie

## Top Investors in Canadian Venture Capital Deals

Firm Name	Rank	# of Deals	Estimated Investment (CA\$mil)
Business Development Bank of Canada (BDC)	1	17	\$33.0
Desjardins Capital	2	17	\$9.7
Real Ventures	3	12	\$10.5
Cycle Capital - Ecofuel	4	6	\$3.4
Innovacorp	5	5	\$0.1
iNovia Capital	6	4	\$39.1
Investissement Québec	7	4	\$38.2
CIBC Innovation Banking	8	4	\$29.5
Export Development Canada	9	4	\$10.0
Yaletown Venture Partners	10	4	\$4.3
Anges Québec Capital	11	4	\$1.5
Caisse de dépôt et placement du Québec	12	3	\$107.0
MaRS Investment Accelerator Fund	13	3	\$3.0
New Brunswick Innovation Foundation	14	3	\$0.4
National Bank of Canada	15	3	\$0.0

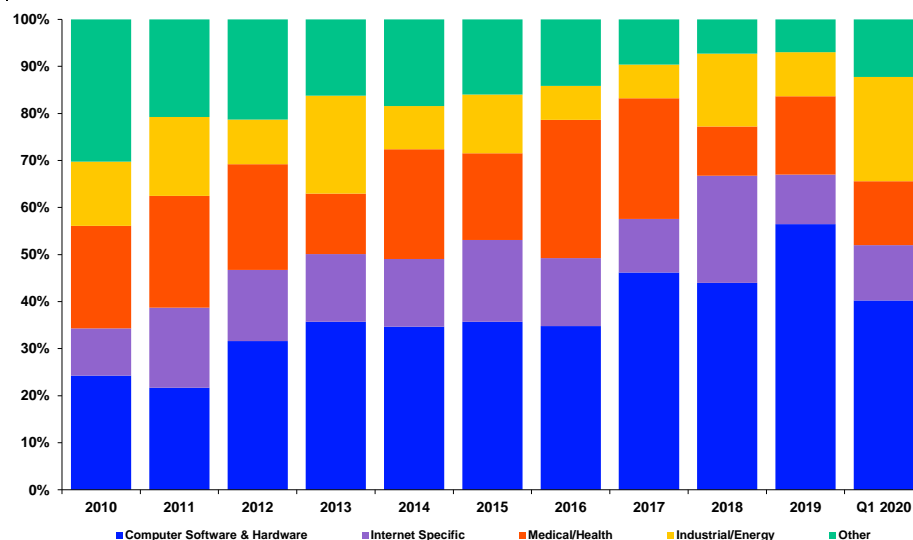
## Venture Capital Investment by Province & Region



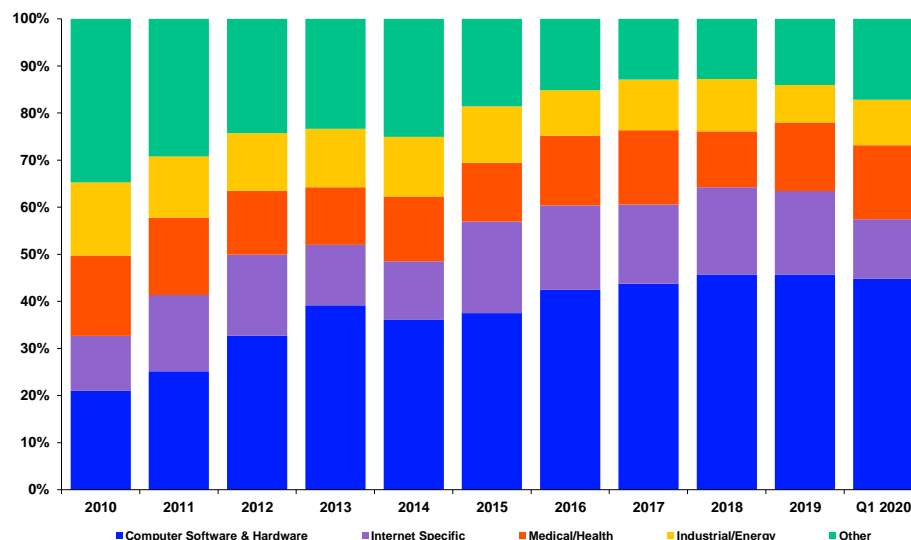
# Investments

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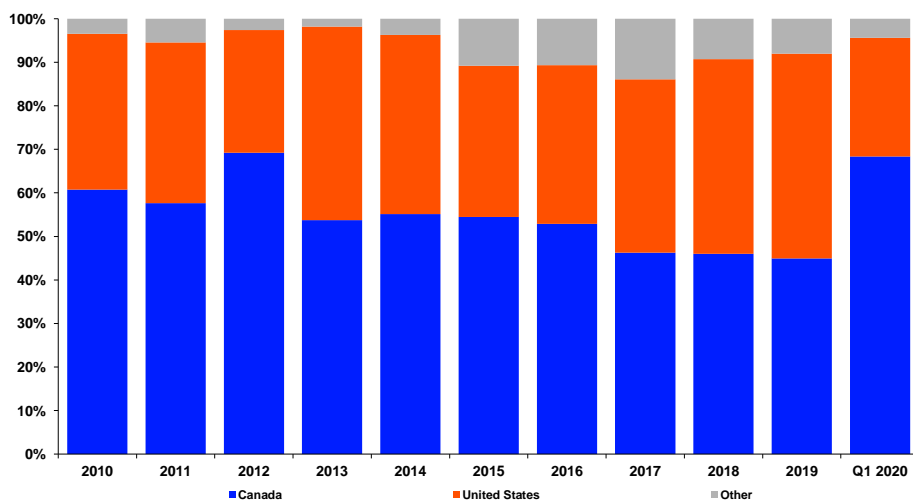
Investments by Sector, Amount Invested



Investments by Sector, Number of Deals



Investment by Origin of Capital



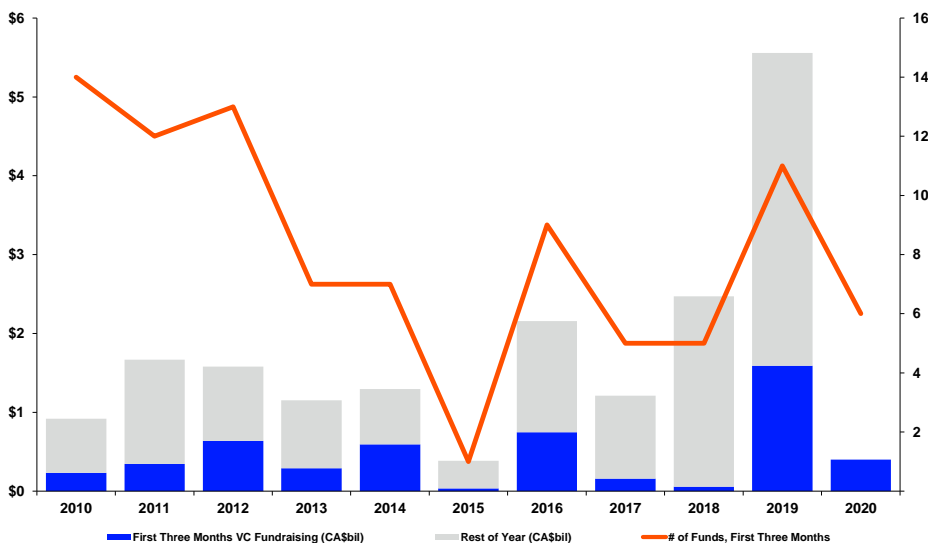
Top VC Deals by Canadian Firms Investing Abroad

Company Name	Deal Date	Deal Value (CA\$mil)	Sector	Location
Waymo	03/02/20	\$2,997.5	Other Products	United States of America
Netskope	02/06/20	\$451.7	Computer Software and Services	United States of America
Space Exploration Technologies	03/13/20	\$305.4	Other Products	United States of America
Califia Farms	01/15/20	\$293.4	Consumer Related	United States of America
KRY	01/07/20	\$203.0	Internet Specific	Sweden
Alto Pharmacy	02/07/20	\$171.7	Internet Specific	United States of America
Sigilon Therapeutics	03/17/20	\$114.0	Biotechnology	United States of America
Receipt Bank	01/03/20	\$94.9	Computer Software and Services	United Kingdom
Keros Therapeutics	03/02/20	\$74.6	Biotechnology	United States of America
Clearcover	01/03/20	\$65.0	Other Products	United States of America

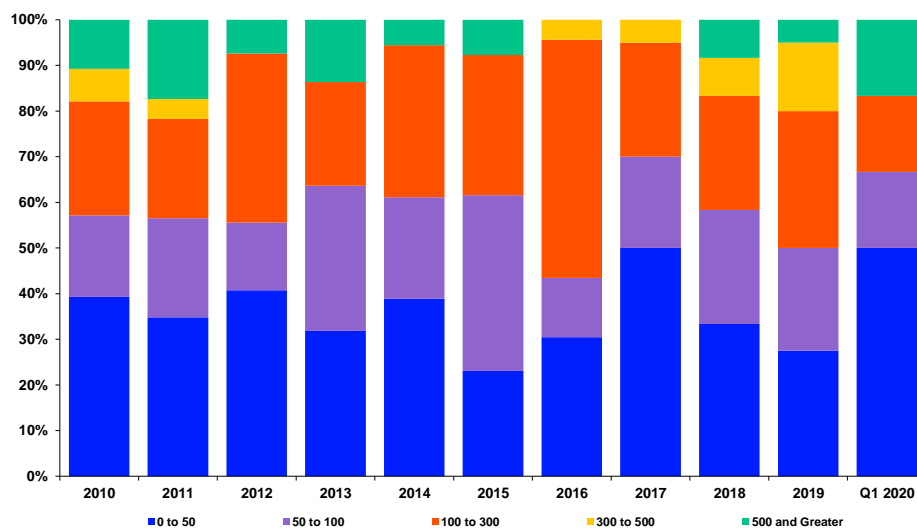
# Fundraising

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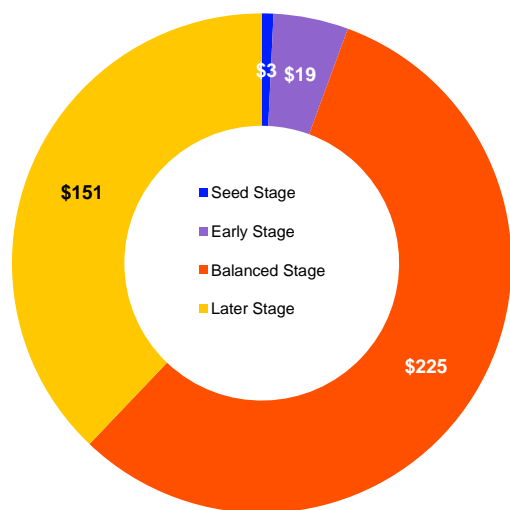
## Canada Venture Capital Fundraising Activity



## Venture Capital Fundraising by Fund Size, Number of Funds



## Venture Capital Fundraising by Fund Stage (CA\$mil)



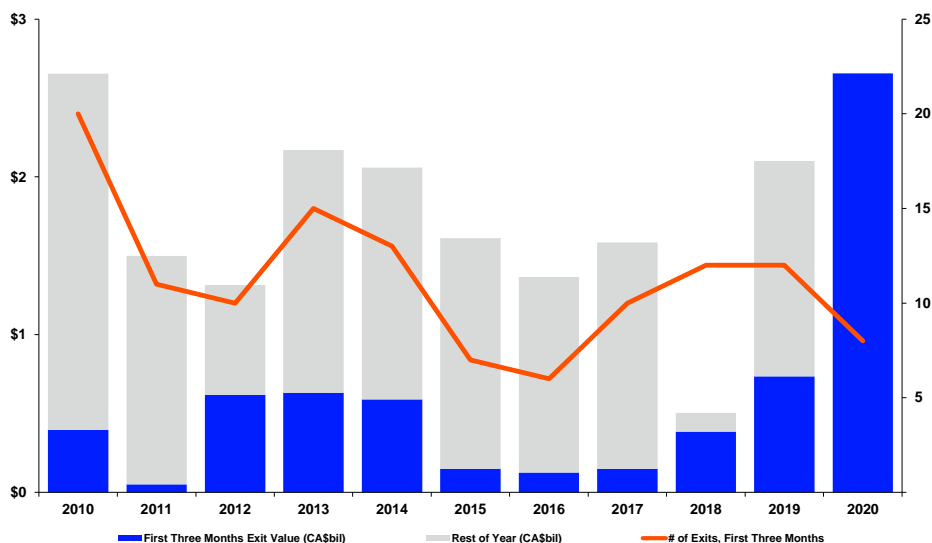
## Largest Venture Capital Funds Raised in Canada

Fund Name	Latest Closing Date	Amount Raised (CA\$mil)	Total Fund Size (CA\$mil)	Fund Stage
Georgian Partners Growth Fund V	02/25/20	\$150.9	\$1,144.0	Later Stage
Round13 Fund II	01/22/20	\$125.0	\$125.0	Balanced Stage
Round13 Growth	01/22/20	\$100.0	\$100.0	Balanced Stage
Concrete Ventures Fund	01/23/20	\$18.0	\$18.0	Early Stage
StandUp Ventures Fund I	03/05/20	\$3.0	\$21.0	Seed Stage
Velocity Health Tech Fund	01/28/20	\$1.3	\$1.0	Early Stage

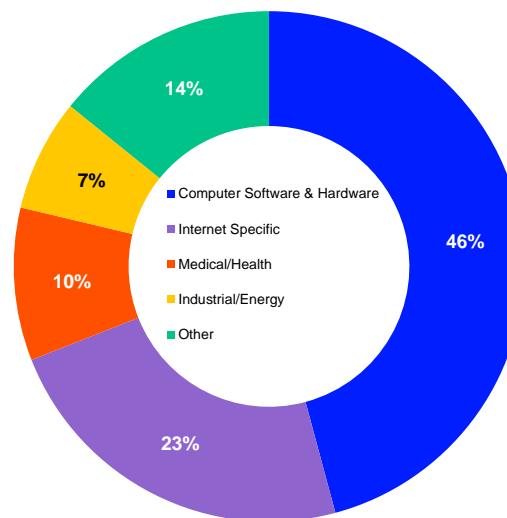
# Exits

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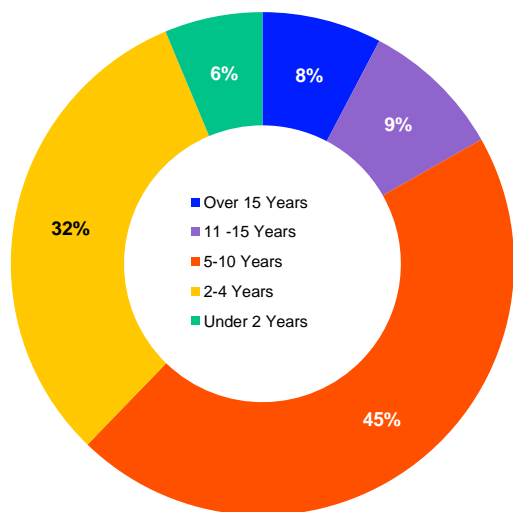
## Canada Venture Capital Exit Activity



## Exit Volumes by Sector, Since 2017



## Time to Exit, Since 2017



## Top Announced Canada Venture Capital-Backed Exits, Previous Six Months

Company Name	Ann. Date	Deal Value (CA\$mil)	Sector	Exit Type
Kissner Milling Company Ltd	02/03/20	\$2,657.0	Industrial/Energy	Secondary Sale
Encycle Therapeutics Inc	10/22/19	\$80.0	Biotechnology	Trade Sale
Ample Organics Inc	12/18/19	\$49.8	Computer Software and Services	Trade Sale

# Canada Venture Capital Criteria

First Quarter 2020

If you would like to participate in the submission process, receive quarterly press releases, or have questions about our full league table criteria please contact:

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Data collected and analyzed by Refinitiv for this statistical report were drawn from a variety of sources including Refinitiv M&A databases, regulatory filings, press releases, and proprietary reports from Canadian and non-resident venture capital firms, private equity firms, law firms, and other service providers.

The Refinitiv Canadian venture capital report measures cash for equity and quasi-equity investments by the professional venture capital community in emerging companies in Canada. These transactions are referred to as VCReporter Deals in Refinitiv databases.

The report includes the investment activity of professional venture capital firms, whether Canadian-based or not, including private independent funds, retail funds (LSVCCs and PVCCs), venture arms of corporations, institutions, government funds, angel funds, and similar entities whose primary activity is financial investing. Where there are additional participants such as angels, corporations, governments, or company officers in a qualified and verified financing round, the entire amount of the round is included.

The report excludes venture debt, buyouts, recapitalizations, secondary purchases, IPO exits, and other forms of private equity that do not involve cash such as services-in-kind. Investments in capital pool companies (CPCs & JCPs) are not eligible. Companies whose primary activity is the extraction of natural resources (agriculture, forestry, mining, and oil & gas exploration) without a specific focus on technology are not eligible.

Rounds are tracked based on investment location. This predominantly includes Canadian-headquartered companies, but companies headquartered outside of Canada with Canadian research & development facilities are also eligible.

Rankings of top VC investors include only investment activity made in Canadian portfolio companies. Estimated investment activity is based on the actual syndicate breakdown, where available, and is split equally among disclosed investors where actual breakdowns are not available. Private independent, government, and other funds are independently ranked in their respective categories. Rankings capture the three-month period from January 1st, 2020 to March 31st, 2020.

All current and previous years data is as of Tuesday, April 28, 2020. Data is continuously updated and is therefore subject to change. All figures are in Canadian dollars unless otherwise noted.

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