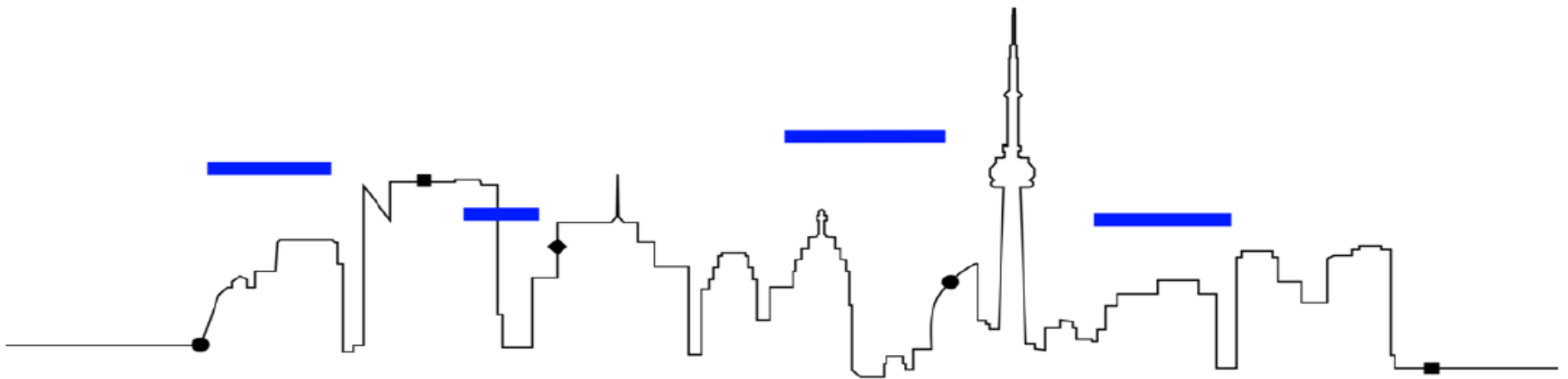


Canada Venture Capital Review

FULL YEAR 2019



Canada Venture Capital

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Canada Venture Capital Deals Intelligence

CANADA VENTURE CAPITAL INVESTMENT TOTALS CA\$7.3 BILLION IN 2019

Canadian venture capital activity reached record levels in 2019, with CA\$7.3 billion invested across 598 rounds. At CA\$1.7 billion across 143 rounds, the fourth quarter of 2019 was down 40% from the mammoth third quarter but remained the third strongest quarter ever recorded and the fifth consecutive quarter with investment greater than CA\$1 billion.

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

A total of eleven venture capital rounds surpassed the nine-figure mark in 2019, with two of those occurring between October and December. These were Québec-based search and analytics platform Coveo, which raised CA\$227 million and Toronto-based password management software 1Password, which raised CA\$185 million. Companies based within Ontario saw CA\$2.7 billion invested across 235 deals, resulting in 7th place for dollar values and 4th place for volumes in the provincial & state rankings. Québec companies saw CA\$1.9 billion across 185 deals for dollar and volume rankings of 11th and 6th, respectively.

UNITED STATES FIRMS CONTRIBUTE 47% OF VENTURE FINANCING

Firms headquartered within the United States invested CA\$2.8 billion in Canadian companies through the end of 2019, a 47% share of all disclosed dollars. This was down from the 50% share throughout the first three quarters of the year, but still above the 46% of dollars contributed by domestic sources, marking the first full year that venture capital investments from the United States into Canadian companies have exceeded those from Canada.

VENTURE CAPITAL FUNDRAISING REACHES A RECORD CA\$4.2 BILLION

A total of 37 Canadian VC funds recorded closes during the year, raising a combined CA\$4.2 billion in commitments, an increase of 70% compared to the previous year and a record for venture fundraising by dollars raised. Fundraising figures were led by firms iNovia, Radical Ventures, OMERS, and Northleaf, all of which raised more than CA\$300 million. Newly added to the top funds raised list in the fourth quarter was Portag3 Ventures Fund II, which raised CA\$229 million in its second close, bringing its total commitments to CA\$427 million.

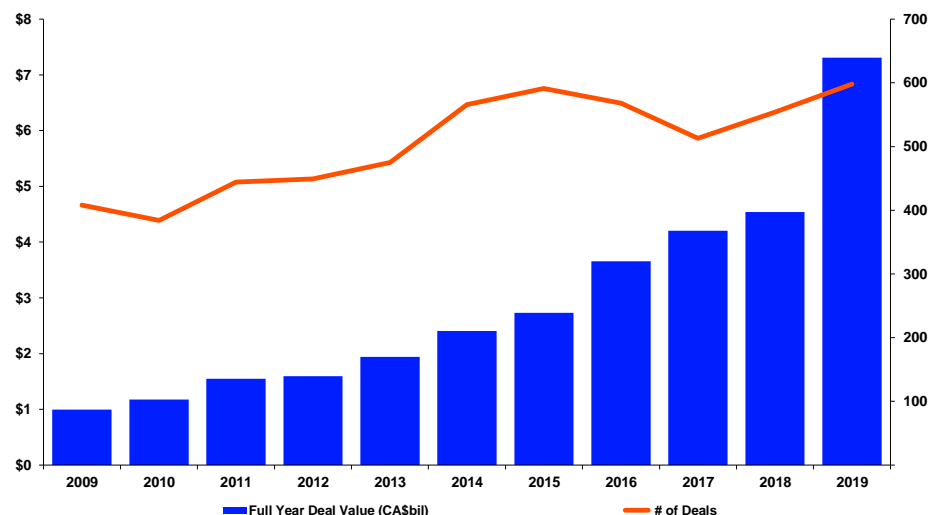
CANADA VENTURE CAPITAL-BACKED EXITS TOTAL CA\$2.0 BILLION

Canadian companies completed 47 VC-backed exits during the year, worth CA\$2.0 billion in exit values, a 12% uptick in the number of exits and a 305% increase in values when compared to the lackluster 2018.

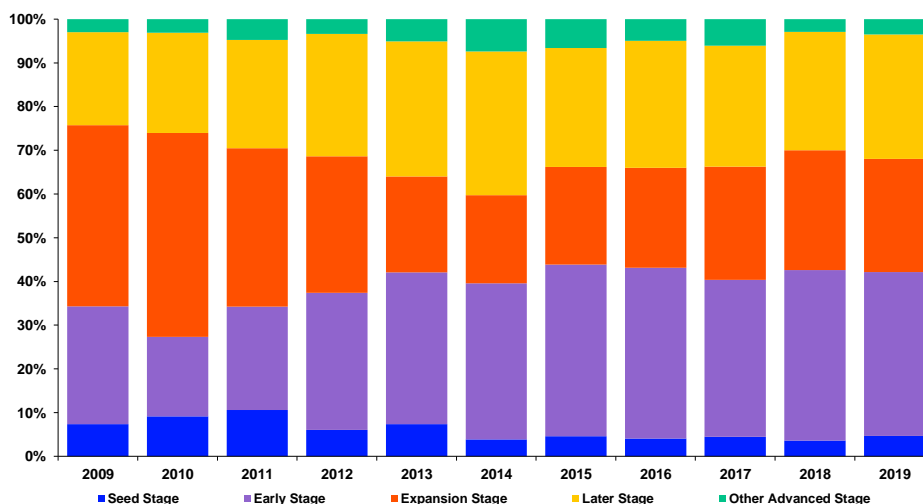
CANADA VENTURE CAPITAL FUND PERFORMANCE CONTINUES UPWARD TRAJECTORY

The performance of Canadian venture capital funds continued to show under-performance compared to the public market as of Q3 2019, however they remained steadily nearing convergence. Published data provided by Cambridge Associates shows that Canadian venture capital and growth equity funds returned an IRR of 5.0% at the end of Q3, underperforming the market by 2 percentage points and their U.S. venture capital counterparts by 5 points.

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
Verafin	09/25/19	\$515.0	Computer Software and Services	St. John's, NL
Clio	09/04/19	\$330.6	Computer Software and Services	Vancouver, BC
Coveo	11/06/19	\$227.5	Computer Software and Services	Quebec, QC
Element AI	09/13/19	\$200.0	Computer Software and Services	Montreal, QC
1Password	11/14/19	\$185.4	Computer Software and Services	Toronto, ON
TouchBistro	09/18/19	\$158.0	Computer Software and Services	Toronto, ON
Fusion Pharmaceuticals	03/25/19	\$140.7	Biotechnology	Hamilton, ON
Vena Solutions	01/09/19	\$115.0	Computer Software and Services	Toronto, ON
Traction on Demand	07/31/19	\$111.5	Computer Software and Services	Burnaby, BC
Repare Therapeutics	09/04/19	\$109.1	Medical/Health	St-Laurent, QC
Wealthsimple	05/22/19	\$100.1	Internet Specific	Toronto, ON
AlayaCare	12/20/19	\$97.5	Computer Software and Services	Toronto, ON

Venture Capital Investment by Province & State

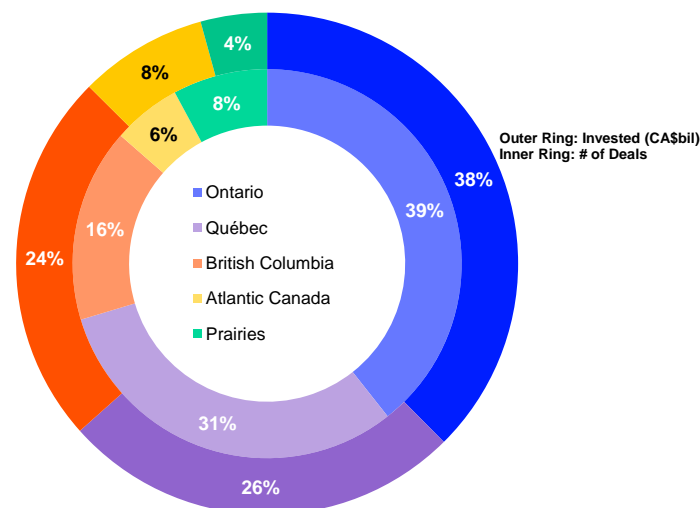
Province/State	01/01/2019 - 12/31/2019 Value (CA\$mil)	# of Deals	01/01/2018 - 12/31/2018 Value (CA\$mil)	# of Deals	YoY % Chg. (\$)	YoY % Chg. (#)
California	\$70,120.7	1,882	\$82,738.9	1,894	-15%	-1%
New York	\$21,561.3	659	\$15,382.7	581	40%	13%
Massachusetts	\$14,382.1	421	\$13,977.6	429	3%	-2%
Texas	\$4,150.7	234	\$1,924.4	181	116%	29%
Michigan	\$4,038.3	55	\$2,578.1	52	57%	6%
Washington	\$3,807.6	159	\$2,466.8	141	54%	13%
Ontario	\$2,744.4	235	\$2,114.4	198	30%	19%
Colorado	\$2,291.5	147	\$1,649.2	131	39%	12%
Illinois	\$2,107.0	115	\$1,644.1	124	28%	-7%
Pennsylvania	\$1,939.3	176	\$1,241.0	195	56%	-10%
Quebec	\$1,886.9	185	\$1,498.0	182	26%	2%
Florida	\$1,761.0	79	\$1,525.0	65	15%	22%
British Columbia	\$1,757.2	96	\$716.9	102	145%	-6%
Utah	\$1,393.3	63	\$809.4	57	72%	11%
New Jersey	\$1,379.8	46	\$1,972.7	46	-30%	0%
Georgia	\$1,194.4	70	\$1,036.2	54	15%	30%
Ohio	\$1,093.5	66	\$723.6	92	51%	-28%
Virginia	\$1,030.8	77	\$614.2	69	68%	12%
North Carolina	\$1,005.8	60	\$2,658.0	77	-62%	-22%
Maryland	\$1,001.2	70	\$1,464.0	63	-32%	11%
Minnesota	\$922.0	39	\$937.7	47	-2%	-17%
Oregon	\$896.9	36	\$756.6	37	19%	-3%
Connecticut	\$645.1	59	\$1,030.8	60	-37%	-2%
Missouri	\$589.5	38	\$352.5	33	67%	15%
Newfoundland	\$515.8	2	\$4.0	3	12794%	-33%

*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	91	\$288.5
Real Ventures	2	57	\$79.9
Desjardins Capital	3	56	\$58.2
MaRS Investment Accelerator Fund	4	34	\$37.3
iNovia Capital	5	26	\$76.1
CIBC Innovation Banking	6	22	\$102.4
Yaletown Venture Partners	7*	18	\$49.6
Anges Québec Capital	7*	18	\$7.1
New Brunswick Innovation Foundation	7*	18	\$4.4
Cycle Capital - Ecofuel	10	16	\$23.9
Relay Ventures	11	15	\$16.9
Versant Ventures	12*	12	\$64.2
Export Development Canada	12*	12	\$28.9
Innovacorp	12*	12	\$2.0
Investissement Québec	15*	11	\$107.2
Panache Ventures	15*	11	\$7.3
Fonds de Solidarité FTQ	17*	10	\$109.7
Fondaction	17*	10	\$17.5
Active Impact Investments	17*	10	\$2.2
MEDTEQ	17*	10	\$0.5
AmorChem	21	8	\$3.9
National Bank of Canada	22*	7	\$40.6
White Star Capital	22*	7	\$28.9

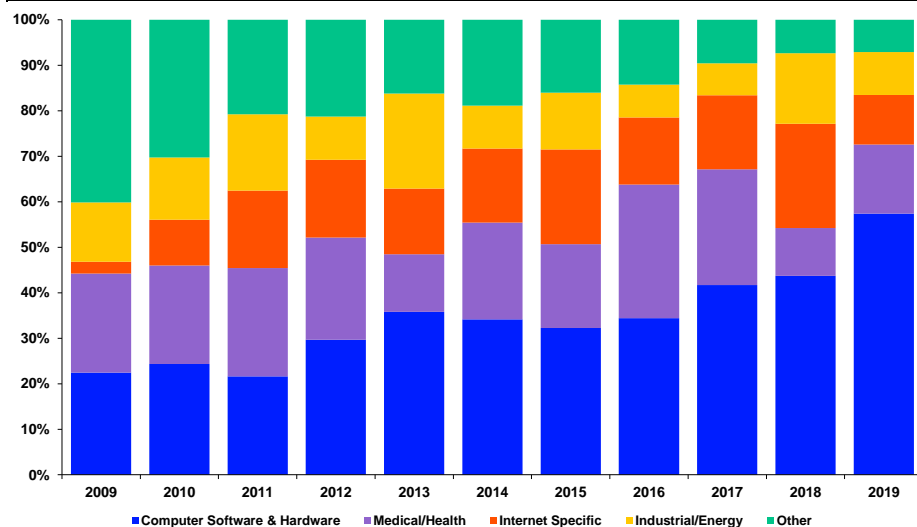
Venture Capital Investment by Province & Region



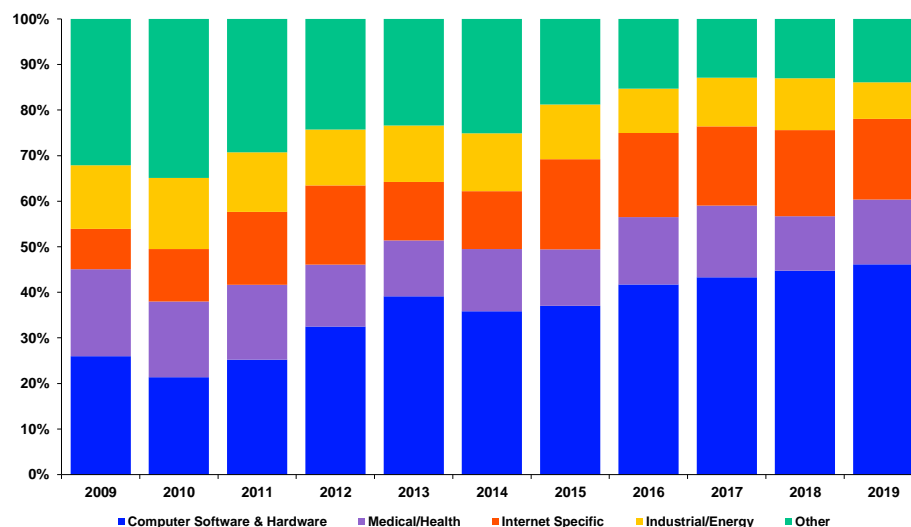
Investments

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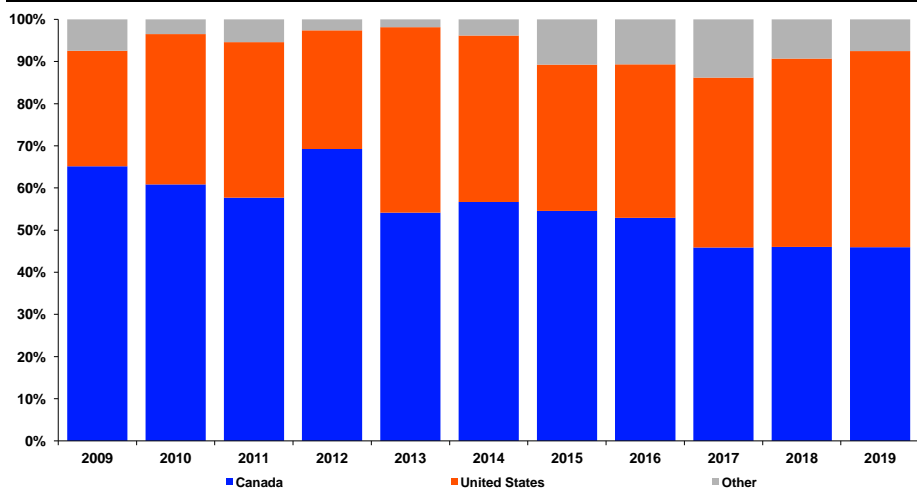
Investments by Sector, Amount Invested



Investments by Sector, Number of Deals



Investment by Origin of Capital



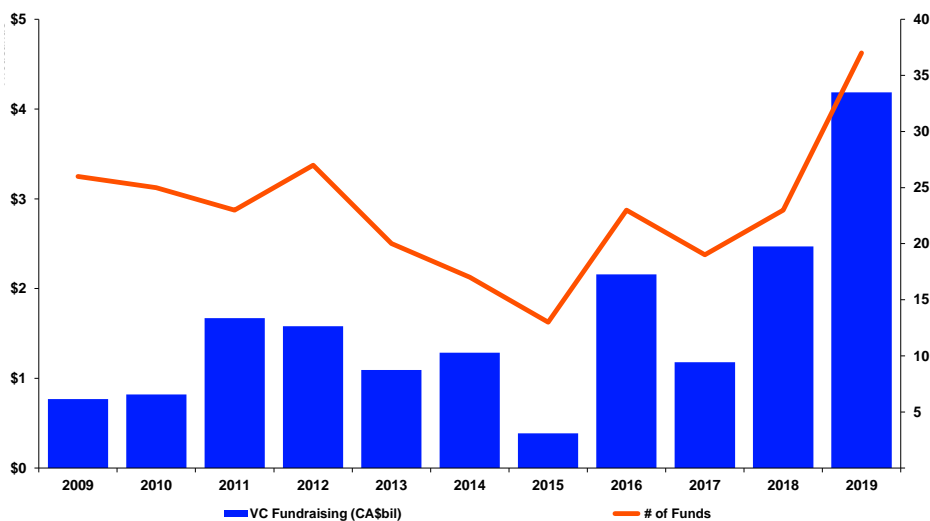
Top VC Deals by Canadian Firms Investing Abroad

Company Name	Deal Date	Deal Value (CA\$mil)	Sector	Location
One97 Communications	11/24/19	\$1,330.1	Internet Ecommerce	India
Space Exploration Technologies	05/24/19	\$719.8	Transportation	United States of America
Compass	07/30/19	\$486.4	Internet Content	United States of America
Bird	10/03/19	\$366.7	Transportation	United States of America
Judo Bank	07/29/19	\$363.3	Financial Services	Australia
Bird	03/12/19	\$333.8	Transportation	United States of America
PharmEasy	11/27/19	\$292.2	Medical/Health	India
Space Exploration Technologies	05/24/19	\$286.2	Transportation	United States of America
CollectiveHealth	06/17/19	\$274.9	Computer Software	United States of America
Sonder	07/11/19	\$274.5	Internet Ecommerce	United States of America

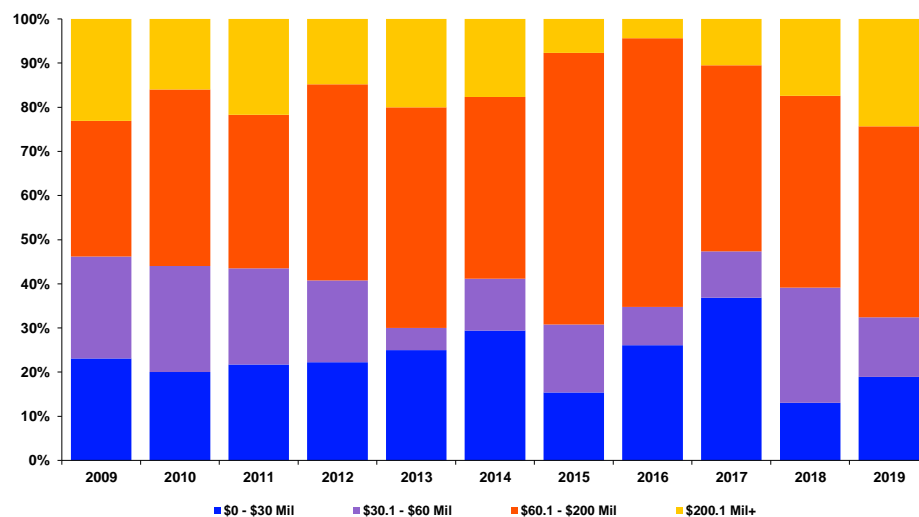
Fundraising

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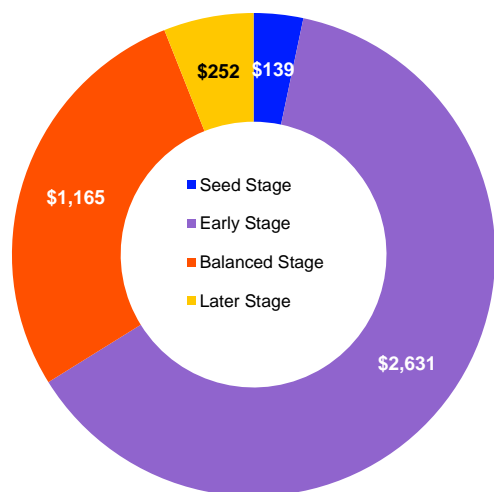
Canada Venture Capital Fundraising Activity



Venture Capital Fundraising by Fund Size, Number of Funds



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



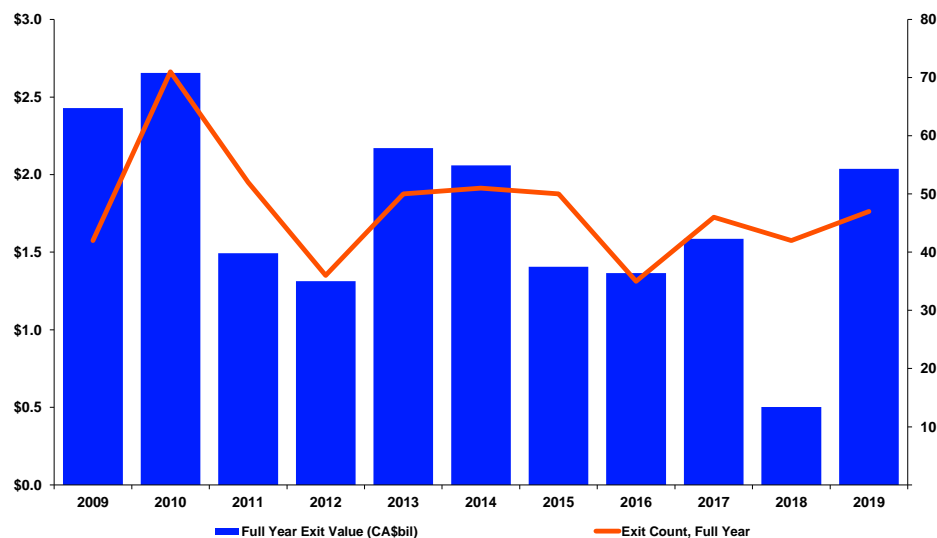
Largest Venture Capital Funds Raised in Canada

Fund Name	Latest Closing Date	Amount Raised (CA\$mil)	Total Fund Size (CA\$mil)	Fund Stage
iNovia Capital Growth Fund	02/19/19	\$528.2	\$528.2	Balanced Stage
Radical Ventures AI Fund	05/07/19	\$471.5	\$471.5	Early Stage
OMERS Europe Fund I	03/25/19	\$454.8	\$454.8	Early Stage
Northleaf Venture Catalyst Fund II	06/04/19	\$300.0	\$300.0	Early Stage
iNovia Investment Fund 2018	02/19/19	\$264.1	\$264.1	Early Stage
BDC Industrial Innovation Venture Fund	06/06/19	\$250.0	\$250.0	Balanced Stage
Portag3 Ventures II	12/03/19	\$229.0	\$427.0	Early Stage
Clear Finance Technology Corporation Fund	07/31/19	\$171.5	\$333.0	Balanced Stage
Lumira Ventures III	07/31/19	\$143.5	\$178.7	Later Stage
ArcTern Ventures Fund II	09/18/19	\$140.0	\$200.0	Early Stage

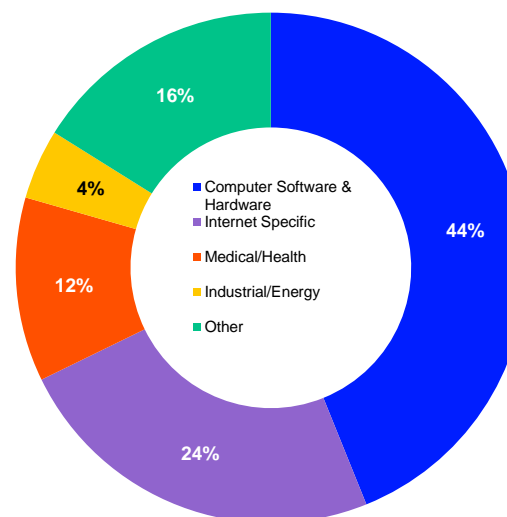
Exits

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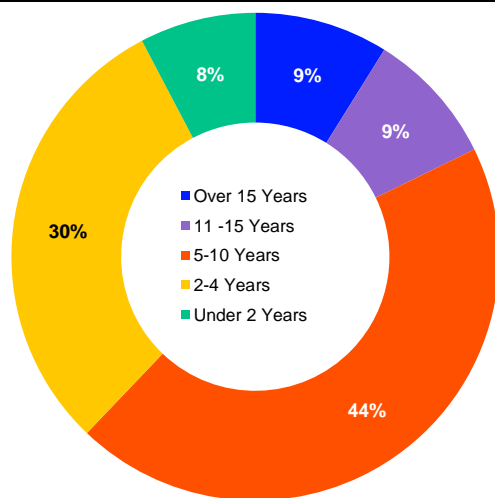
Canada Venture Capital Exit Activity



Exit Volumes by Sector, Since 2016



Time to Exit, Since 2016



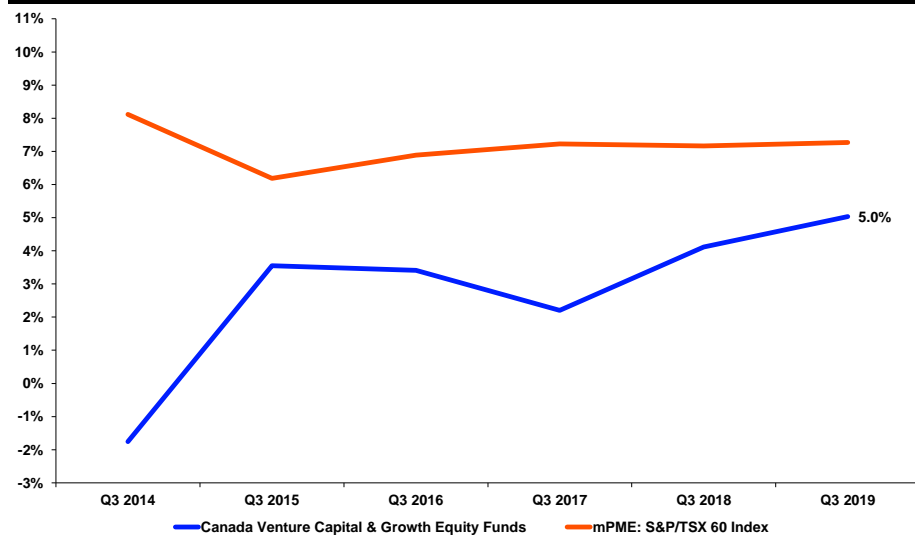
Top Canada Venture Capital-Backed Exits

Company Name	Ann. Date	Deal Value (CA\$mil)	Sector	Exit Type
Air Transat	05/16/19	\$704.5	Other Products	Trade Sale
Wave Financial	06/11/19	\$537.8	Computer Software and Services	Trade Sale
RPM Technologies	05/21/19	\$402.2	Computer Software and Services	Trade Sale
Bluerock Therapeutics	08/08/19	\$317.4	Medical/Health	Trade Sale
Lightspeed POS	02/06/19	\$276.0	Internet Specific	IPO
Aeryon Labs	01/28/19	\$265.2	Other Products	Trade Sale
Milestone Pharmaceuticals	04/12/19	\$127.9	Medical/Health	IPO
Encycle Therapeutics	10/22/19	\$80.0	Biotechnology	Trade Sale
Prevtec Microbia	08/01/19	\$78.6	Biotechnology	Trade Sale
Docebo	08/20/19	\$75.0	Computer Hardware	IPO

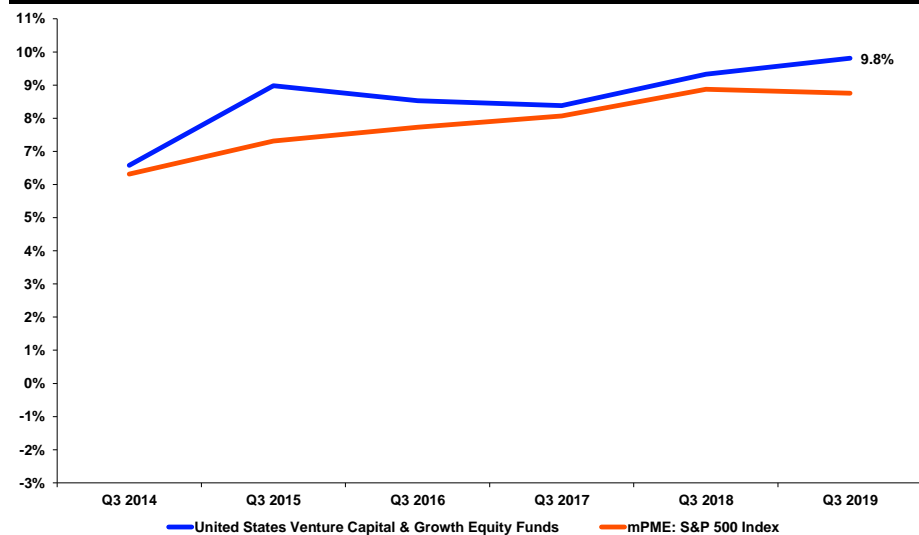
Cambridge Associates: Venture Capital Fund Performance

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Canada Venture Capital Funds Performance, First Nine Months 2019



U.S. Venture Capital Funds Performance, First Nine Months 2019



Canada Venture Capital Criteria

Full Year 2019

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 twelve-month period from January 1st, 2019 to December 31st, 2019.

Fund performance data and public market equivalents are produced via the Cambridge Associates Benchmark Calculator, available through Refinitiv Eikon. Returns are for Canadian and U.S. venture capital and growth equity funds with vintage years of 2000 or greater, on a first cash flow basis, in Canadian dollars, from inception to the end of the indicated quarter, under published data mode Q3 2019. Pooled internal rates of return are net of fees, expenses and carried interest. CA Modified Public Market Equivalent (mPME) replicates private investment performance under public market conditions. The public index's shares are purchased and sold according to the private fund cash flow schedule, with distributions calculated in the same proportion as the private fund, and mPME NAV is a function of mPME cash flows and public index returns.

All current and previous years data is as of Wednesday, January 29, 2020. Data is continuously updated and is therefore subject to change. All figures are in Canadian dollars unless otherwise noted.

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