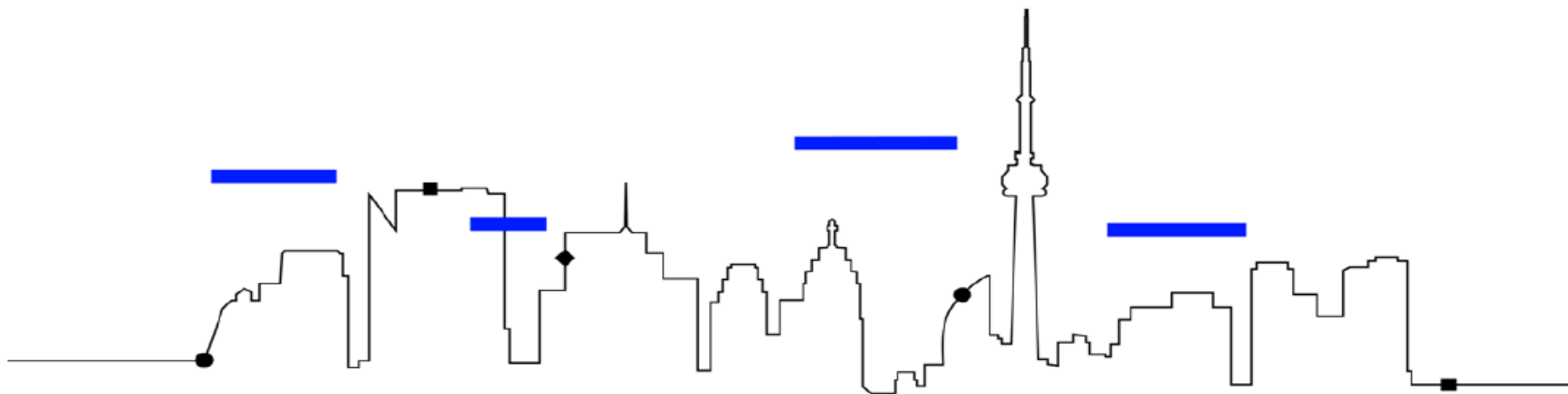


Canada Venture Capital Review

FIRST NINE MONTHS 2019



Canada Venture Capital

First Nine Months 2019 | Canada Venture Capital Review

Canada Venture Capital Deals Intelligence

CANADA VENTURE CAPITAL INVESTMENTS TOTAL CA\$5.6 BILLION

Canadian venture capital activity reached record levels in Q3 2019, pulling away from its already healthy pace through the first half of the year. With CA\$2.8 billion invested across 151 rounds, the third quarter of 2019 was the strongest quarter recorded for venture capital activity by dollars invested, surpassing the previous record of CA\$2.1 billion in Q4 2000. Total venture capital investments in Canada reached CA\$5.6 billion across 449 rounds, the strongest first three-quarter period by venture dollars since 2000.

SIX ROUNDS OVER CA\$100 MILLION COMPLETED DURING THE THIRD QUARTER OF 2019

Nine venture capital rounds over CA\$100 million were completed during the first nine months of 2019, with six of those occurring between July and September. This includes the four largest deals so far during 2019, all of which took place in September. These rounds were led by St. John's-based financial crime management software Verafin, which raised CA\$515 million. The other top rounds for the month included legal software company Clio raising CA\$331 million, artificial intelligence company Element AI raising CA\$195 million, and restaurant POS software TouchBistro raising CA\$153 million.

UNITED STATES-BASED FIRMS DRIVE HALF OF ALL VENTURE ACTIVITY IN CANADA

Firms headquartered within the United States invested CA\$2.4 billion in Canadian companies through the end of September, a 50% share of all disclosed dollars. This topped the CA\$2.0 billion, or 42% of funds, contributed by domestic sources and marks the first time that investments from the United States exceeded those from Canadian investors during the first nine months of 2019.

VENTURE CAPITAL FUNDRAISING REACHES A RECORD CA\$3.8 BILLION

A total of 33 Canadian VC funds recorded closes during the first nine months of 2019, raising a combined CA\$3.8 billion in commitments, an increase of 125% compared to a year ago, a record period 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. Funds focusing on early stage investments made up the bulk of the closings, with a 59% share in both the number of funds and dollars committed.

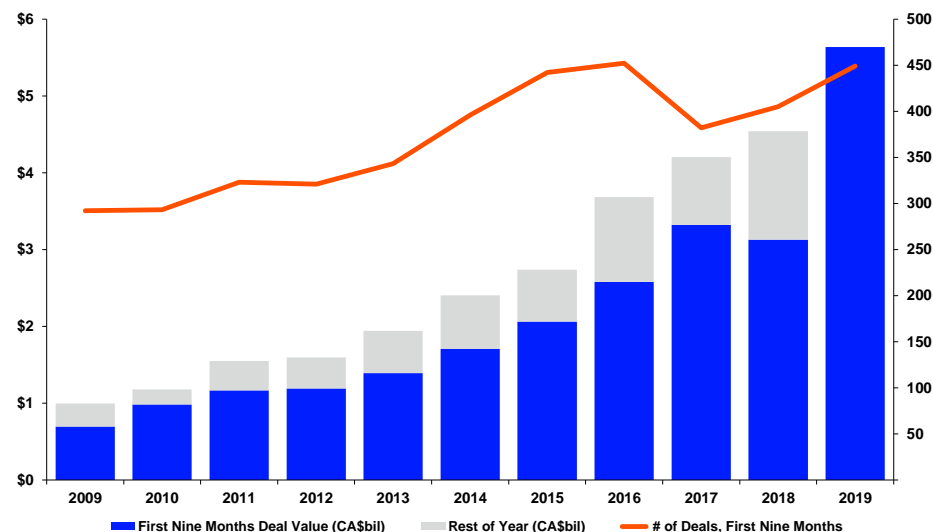
CANADA EXITS TOTAL CA\$1.9 BILLION DURING FIRST NINE MONTHS OF 2019

Canadian companies completed 38 VC-backed exits during the first nine months of 2019, totaling CA\$1.9 billion in deals and posted a 276% increase by value and a 31% uptick by number of exits compared to a year ago.

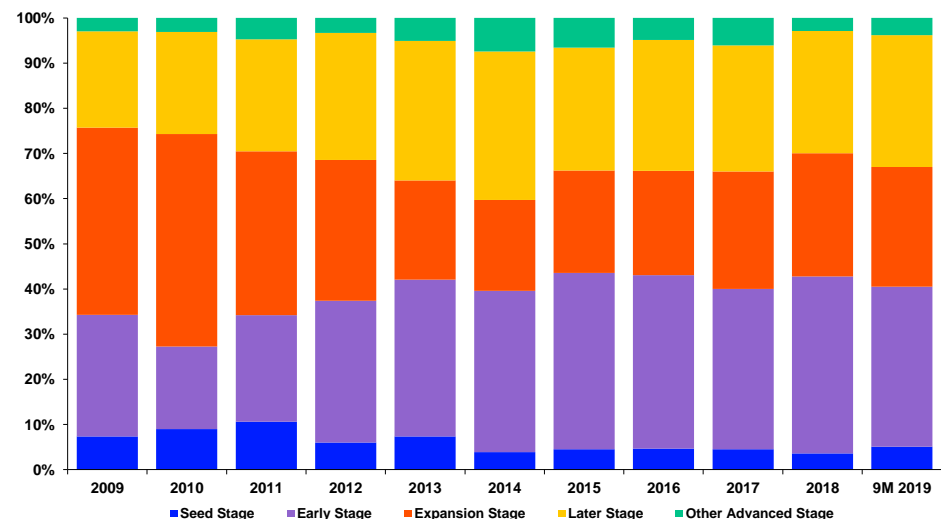
CANADA VENTURE CAPITAL FUND PERFORMANCE CONTINUES TO UNDERPERFORM

The performance of Canada venture capital funds continued to show under-performance compared to the public market as of Q2 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 5.1% at the end of Q2, 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, NF
Clio	09/04/19	\$330.6	Computer Software and Services	Vancouver, BC
Element AI	09/13/19	\$195.1	Computer Software and Services	Montreal, QC
TouchBistro	09/18/19	\$153.0	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	\$111.4	Computer Software and Services	Burnaby, BC
Repare Therapeutics	09/04/19	\$106.8	Medical/Health	St-Laurent, QC
Wealthsimple	05/22/19	\$100.1	Internet Specific	Toronto, ON
PDFtron Systems	05/16/19	\$96.0	Computer Software and Services	Vancouver, BC
Carbon Engineering	03/21/19	\$91.0	Industrial/Energy	Squamish, BC
Chinook Therapeutics	08/29/19	\$86.0	Medical/Health	Vancouver, BC

Venture Capital Investment by Province & State

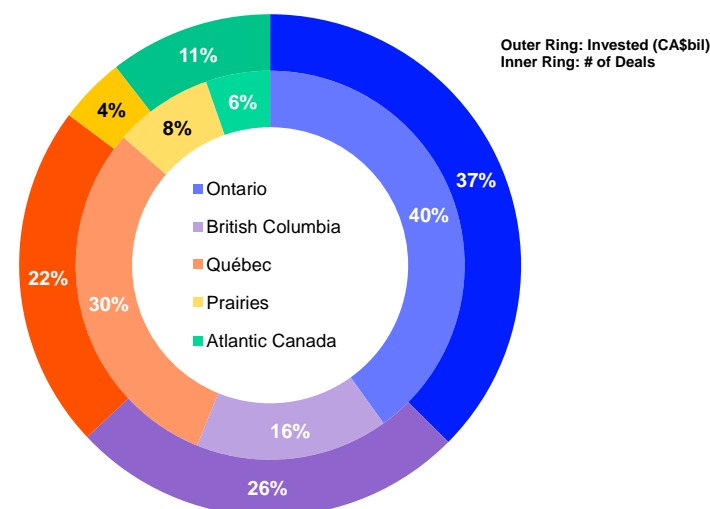
Province/State	01/01/2019 - 9/30/2019 Value (CA\$mil)	9/30/2019 # of Deals	01/01/2018 - 9/30/2018 Value (CA\$mil)	9/30/2018 # of Deals	YoY % Chg. (\$)	YoY % Chg. (#)
California	\$55,242.3	1,394	\$47,895.1	1,439	15%	▲ -3%
New York	\$14,639.8	486	\$12,373.7	452	18%	▲ 8%
Massachusetts	\$10,309.1	291	\$10,461.0	323	-1%	▼ -10%
Texas	\$3,012.3	178	\$1,449.5	136	108%	▲ 31%
Washington	\$2,565.7	114	\$2,019.3	104	27%	▲ 10%
Michigan	\$2,170.4	41	\$1,569.9	37	38%	▲ 11%
Ontario, (CA)	\$2,109.5	180	\$1,596.5	143	32%	▲ 26%
Illinois	\$1,805.5	86	\$1,126.2	85	60%	▲ 1%
Florida	\$1,631.9	57	\$865.3	44	89%	▲ 30%
British Columbia, (CA)	\$1,440.6	72	\$507.0	77	184%	▲ -6%
Pennsylvania	\$1,436.9	134	\$942.5	151	52%	▲ -11%
Colorado	\$1,415.5	114	\$1,353.7	97	5%	▲ 18%
Quebec, (CA)	\$1,251.6	136	\$913.4	133	37%	▲ 2%
New Jersey	\$1,123.9	35	\$946.9	33	19%	▲ 6%
Georgia	\$1,075.3	49	\$458.6	33	135%	▲ 48%
Utah	\$1,017.7	43	\$492.9	44	106%	▲ -2%
Ohio	\$981.8	48	\$620.6	69	58%	▲ -30%
Virginia	\$803.3	57	\$506.0	59	59%	▲ -3%
Maryland	\$780.5	48	\$1,163.9	51	-33%	▼ -6%
Connecticut	\$606.4	52	\$577.6	39	5%	▲ 33%
Newfoundland, (CA)	\$515.0	1	\$2.0	2	25648%	▲ -50%
North Carolina	\$440.4	38	\$712.1	53	-38%	▼ -28%
Arizona	\$420.2	36	\$255.7	21	64%	▲ 71%
Missouri	\$417.4	24	\$164.2	23	154%	▲ 4%
Kansas	\$296.6	7	\$144.1	4	106%	▲ 75%

*Indicates a Tie

Top Investors in Canada Venture Capital Deals

Firm Name	Rank	# of Deals	Estimated Investment (CA\$mil)
Business Development Bank of Canada (BDC)	1	69	\$250.2
Real Ventures	2	43	\$67.9
Desjardins Capital	3	40	\$30.3
MaRS Investment Accelerator Fund	4	26	\$34.7
CIBC Innovation Banking	5	17	\$75.4
iNovia Capital	6*	16	\$43.2
Anges Québec Capital	6*	16	\$6.8
Cycle Capital - Ecofuel	8	15	\$22.5
Versant Ventures	9*	12	\$64.2
Export Development Canada	9*	12	\$28.9
Relay Ventures	9*	12	\$11.7
New Brunswick Innovation Foundation	9*	12	\$3.1
Innovacorp	9*	12	\$2.0
Yaletown Venture Partners	14*	10	\$30.4
MEDTEQ	14*	10	\$0.5
Fondaction	16	9	\$17.1
Fonds de Solidarité FTQ	17*	7	\$32.0
Panache Ventures	17*	7	\$3.5
Salesforce Ventures	19*	6	\$93.4
Georgian Partners	19*	6	\$67.9
Investissement Québec	19*	6	\$24.9
Vanedge Capital Inc	19*	6	\$7.7
TELUS Ventures	19*	6	\$3.4

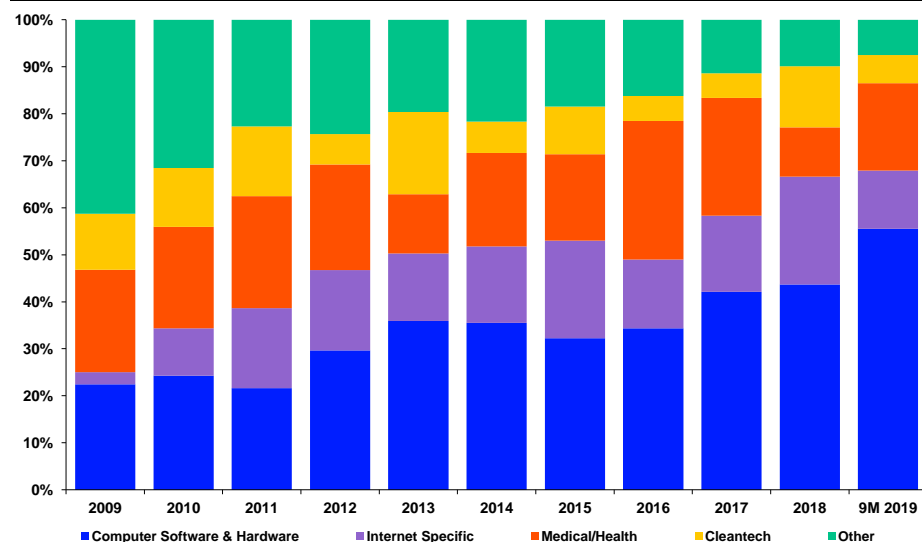
Venture Capital Investment by Province & Region



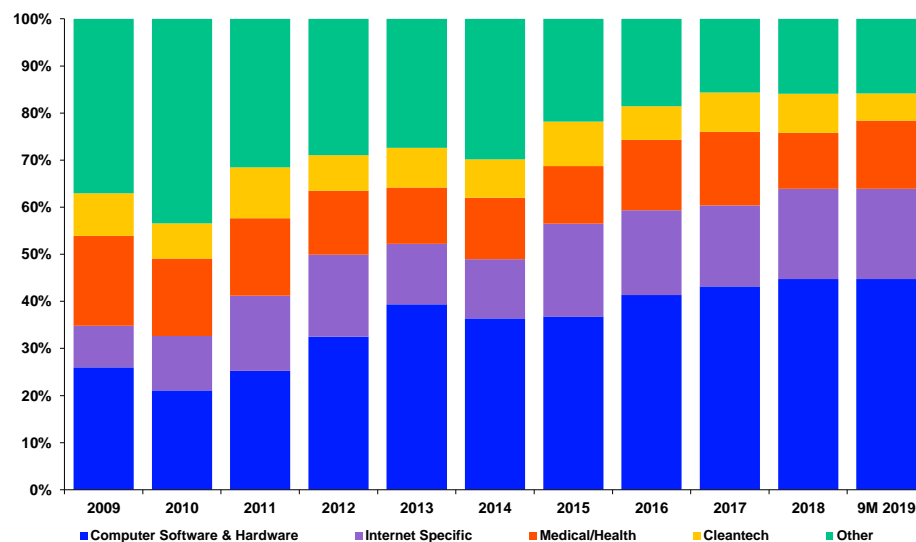
Investments

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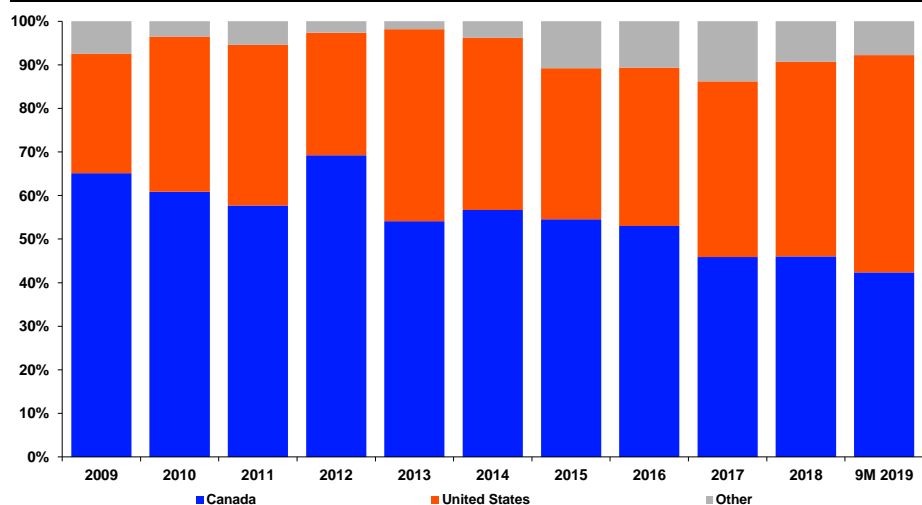
Investments by Sector, Amount Invested



Investments by Sector, Number of Deals



Investment by Origin of Capital



Top VC Deals by Canadian Firms Investing Abroad

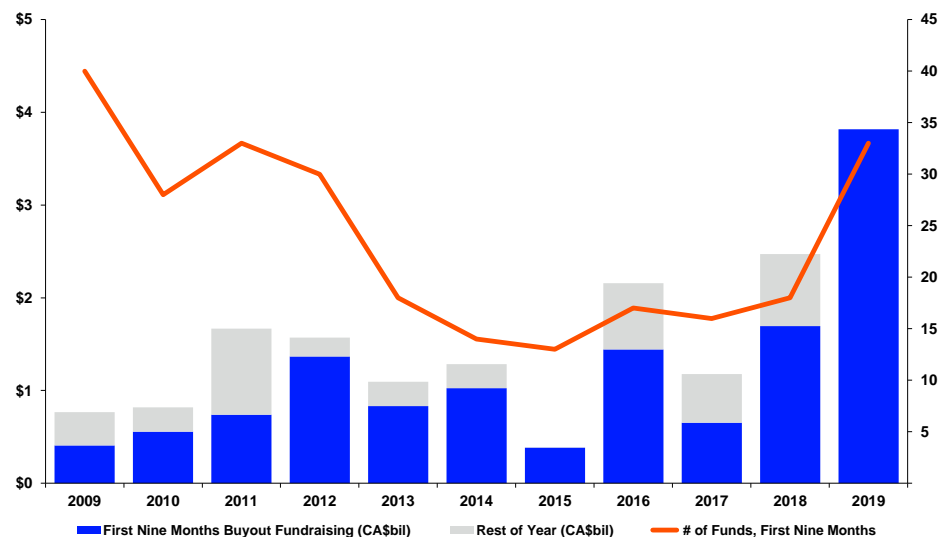
Company Name	Deal Date	Deal Value (CA\$mil)	Sector	Location
Space Exploration Technologies	05/24/19	\$703.7	Other Products	United States
Compass	07/30/19	\$486.4	Internet Specific	United States
Judo Bank	07/29/19	\$363.3	Other Products	Australia
Bird	03/12/19	\$324.5	Other Products	United States
Space Exploration Technologies	05/24/19	\$286.2	Other Products	United States
CollectiveHealth	06/17/19	\$274.9	Computer Software and Services	United States
Sonder	07/11/19	\$259.5	Internet Specific	United States
Fundbox	09/24/19	\$233.0	Computer Hardware	United States
CrowdStrike	04/19/19	\$167.4	Computer Software and Services	United States
Casper	03/28/19	\$134.4	Consumer Related	United States



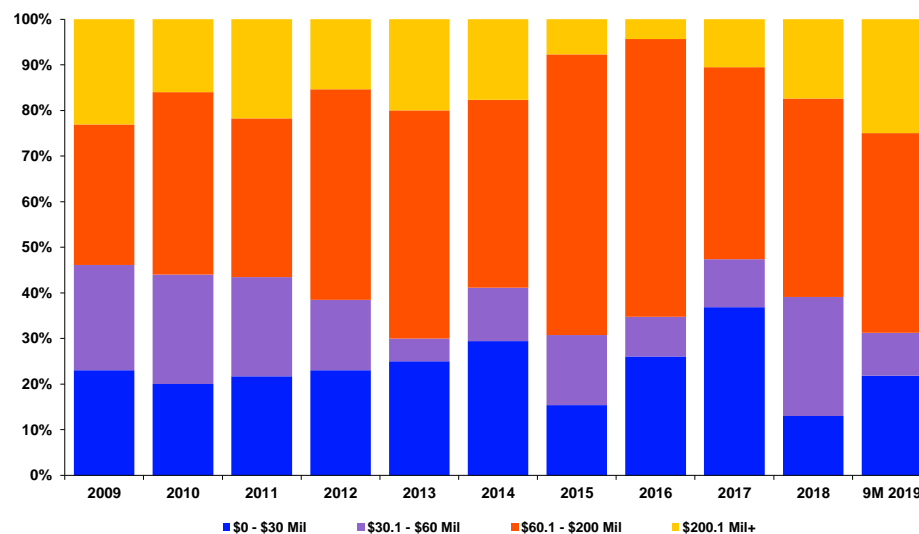
Fundraising

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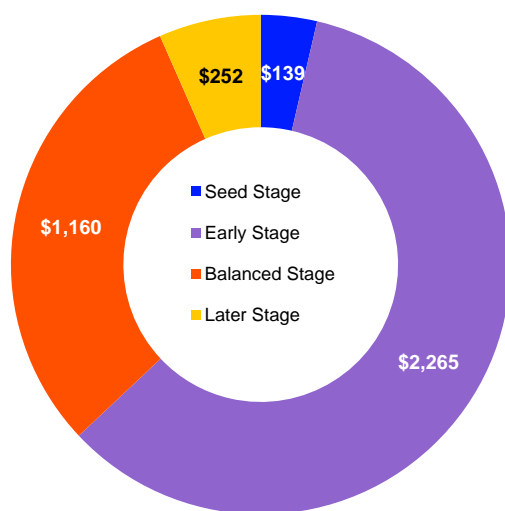
Canada Venture Capital Fundraising Activity



Venture Capital Fundraising by Fund Size, Number of Funds



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



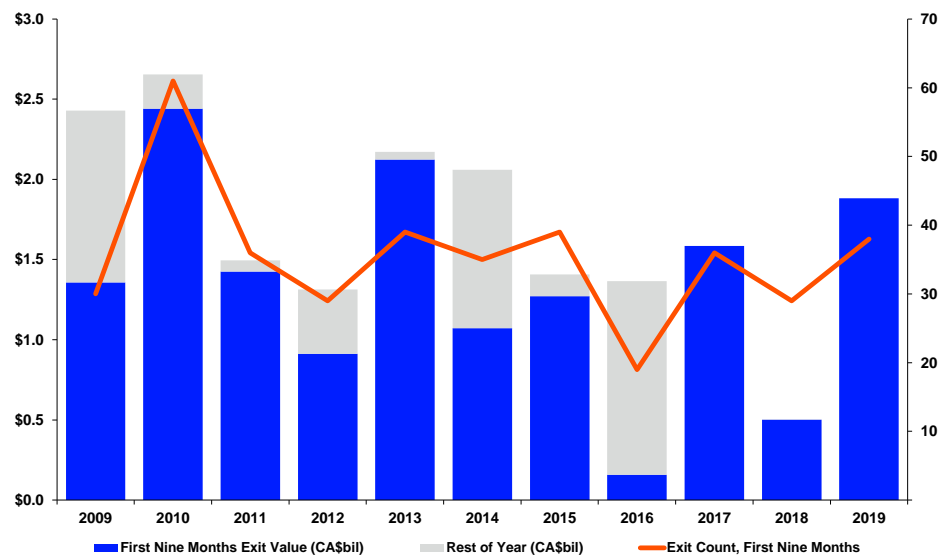
Largest Venture Capital Funds Raised in Canada

Fund Name	Latest Closing Date	Amount Raised	Total Fund Size (CA\$mil)	Fund Stage
iNovia Capital Growth Fund	02/19/19	\$528.2	\$528.2	Balanced Stage
Radical Ventures AI Fund	07/05/19	\$471.5	\$471.5	Early Stage
OMERS Europe Fund I	03/25/19	\$454.8	\$454.8	Early Stage
Northleaf Venture Catalyst Fund II	04/06/19	\$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
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	\$140.5	\$200.5	Early Stage
Renewal4 US Limited Partnership	09/30/19	\$131.0	\$145.0	Balanced Stage

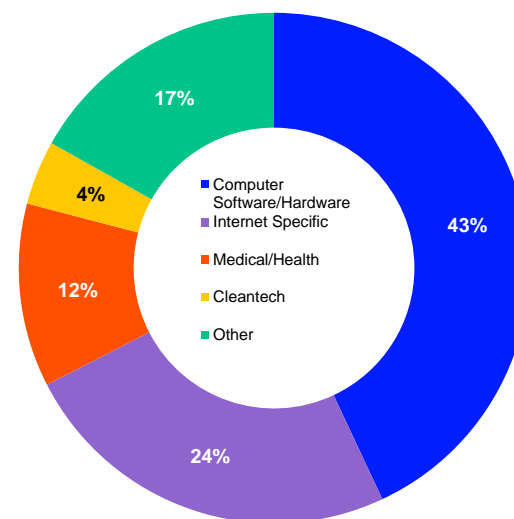
Exits

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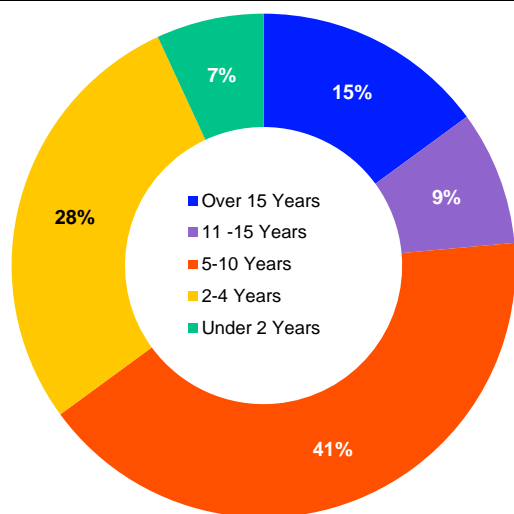
Canada Venture Capital Exit Activity



Exit Volumes by Sector, Since 2016



Time to Exit, Since 2016



Top Canada Venture Capital-Backed Exits

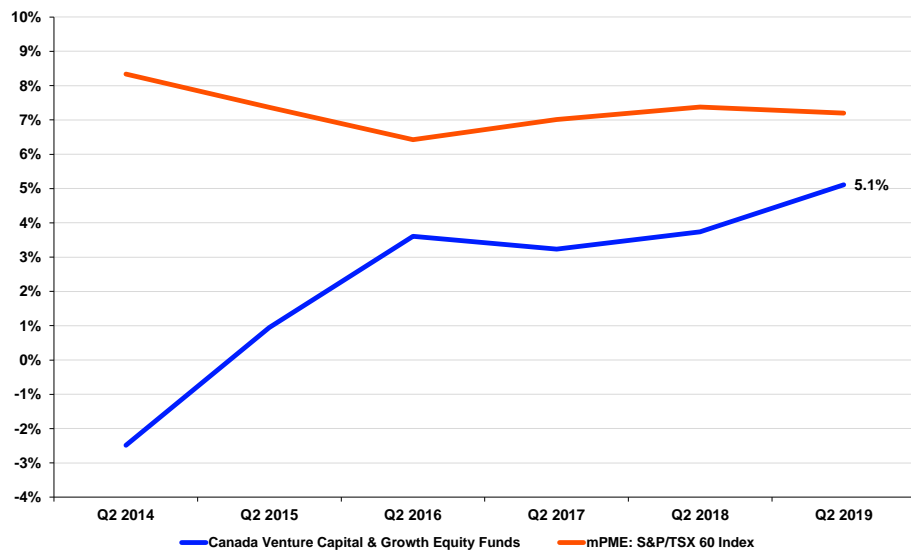
Company Name	Ann. Date	Deal Value (CA\$mil)	Sector	Exit Type
Bluerock Therapeutics LLC	08/08/19	\$793.4	Medical/Health	Trade Sale
Wave Financial Inc	06/11/19	\$537.8	Computer Software and Services	Trade Sale
RPM Technologies	05/21/19	\$402.2	Computer Software and Services	Trade Sale
Lightspeed POS Inc	02/06/19	\$276.0	Internet Specific	IPO
Aeryon Labs Inc	01/28/19	\$265.2	Other Products	Trade Sale
Milestone Pharmaceuticals Inc	04/12/19	\$127.9	Medical/Health	IPO
GenePOC Inc	04/30/19	\$119.4	Medical/Health	Trade Sale
Prevtec Microbia Inc	08/01/19	\$100.2	Biotechnology	Trade Sale
Docebo Canada Inc	08/20/19	\$75.0	Computer Hardware	IPO
Jibestream Inc	07/10/19	\$8.0	Computer Software and Services	Trade Sale



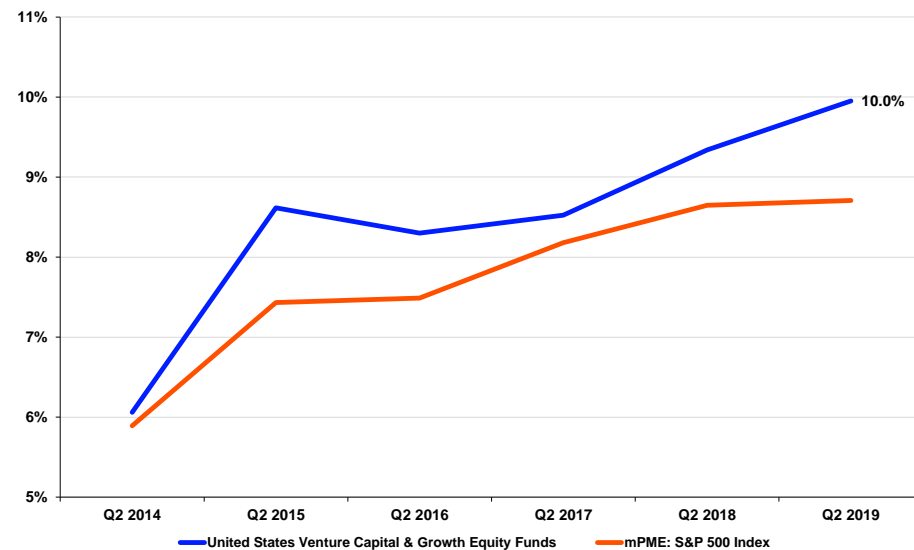
Cambridge Associates: Venture Capital Fund Performance

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Canada Venture Capital Funds Performance, First Half 2019



U.S. Venture Capital Funds Performance, First Half 2019



Canada Venture Capital Criteria

First Nine Months 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 nine-month period from January 1st, 2019 to September 30th, 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 Q2 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 Monday, October 28, 2019. Data is continuously updated and is therefore subject to change. All figures are in Canadian dollars unless otherwise noted.

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