

VENTURE CAPITAL REVIEW

Canada Venture Capital Review First Quarter 2023

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Canada Venture Capital

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Canada Venture Capital Deals Intelligence

CANADA VENTURE CAPITAL INVESTMENT TOTALS CA\$2.0 BILLION

Canadian States venture capital investment activity totaled CA\$2.0 billion in deal values during the first quarter of 2023, a decrease of 56% compared to year-ago levels and a 33% decrease compared to the fourth quarter of 2022. By number of Canadian transactions, 151 transactions were completed during the first quarter of 2023, a decrease of 14% compared to year-ago levels.

TOP TEN ROUNDS BRING IN CA\$1.1 BILLION

Six rounds in the first quarter saw investment values in the nine-figure range. The top round for the period was the CA\$169.9 million investment into Insurance & Investment Software Solutions company, Equisoft Inc. The second largest round for the quarter was obtained by blockchain technology company, Blockstream Corporation, based in Quebec. The CA\$166.5 million round was backed by Ash Park Capital LLP and Fulgur Ventures. Rounding out the top three was the CA\$164.9 million investment into British Columbia-based company, LayerZero Labs Ltd.

QUEBEC AND BRITISH COLUMBIA BUSINESSES ACCOUNT FOR 63% OF ALL INVESTMENT

Companies based within Québec saw CA\$722 million invested across 44 deals. This resulted in a year-over-year decrease in values of 38% and in volumes of 2% from the first quarter of 2022. Companies based in British Columbia had CA\$540.0 million invested across 23 rounds, resulting in a year-over-year decrease in values of 15% and in volumes of 12%.

VENTURE CAPITAL FUNDS RAISE CA\$593 MILLION

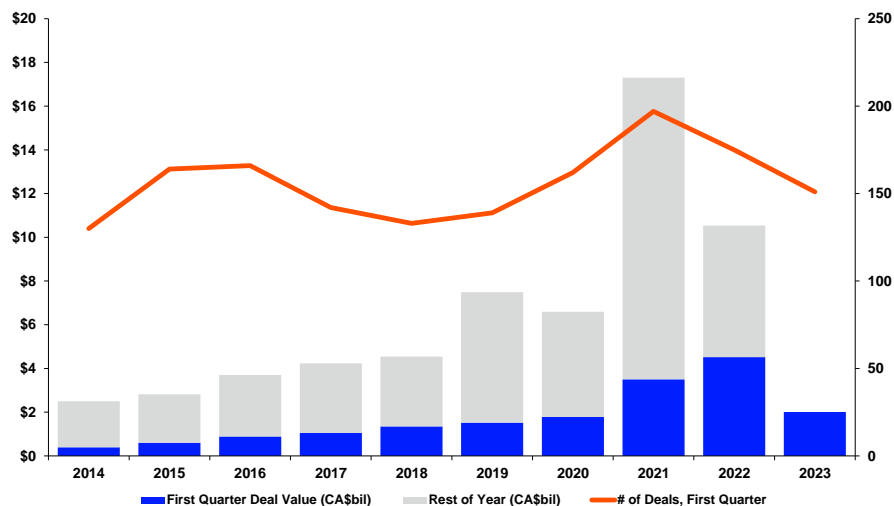
A total of 9 Canadian VC funds recorded closes during the first quarter of 2023, raising a combined CA\$593 million in commitments, a decrease of 78% compared to a year ago.

The top fundraise for the period was the CA\$300 million initial closing for VERTU Capital's inaugural fund, Vertu Partners Fund I. Placing second was the CA\$70 million final close for Yaletown Partners Innovation Growth Fund II. Coming in third was the CA\$68.8 million initial closing for Pender Technology Inflection Fund II.

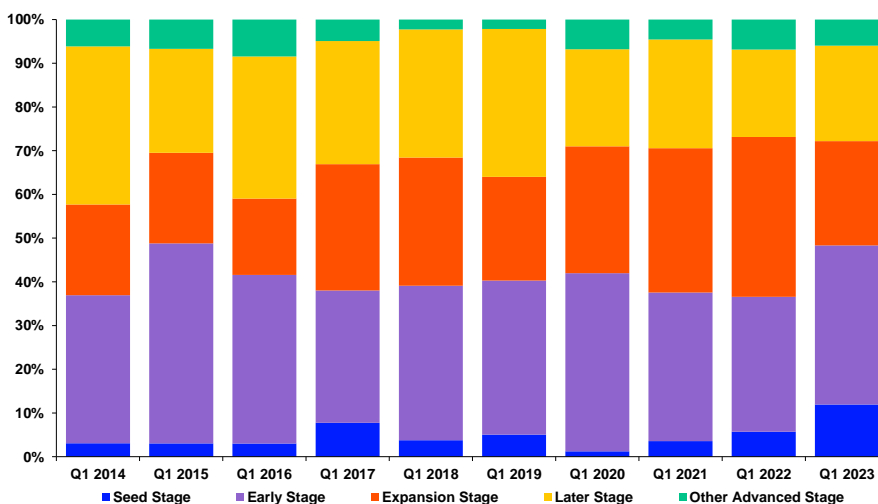
CANADA VENTURE CAPITAL-BACKED EXITS TOTAL CA\$1.6 BILLION

Canadian companies completed 7 PE-backed exits worth CA\$1.6 billion during the first quarter of 2023, resulting in volumes decreasing by 56% and values by 44%.

Venture Capital Investment Activity in Canadian Companies



Venture Capital Deal Volumes (#) by Transaction Type



Investments

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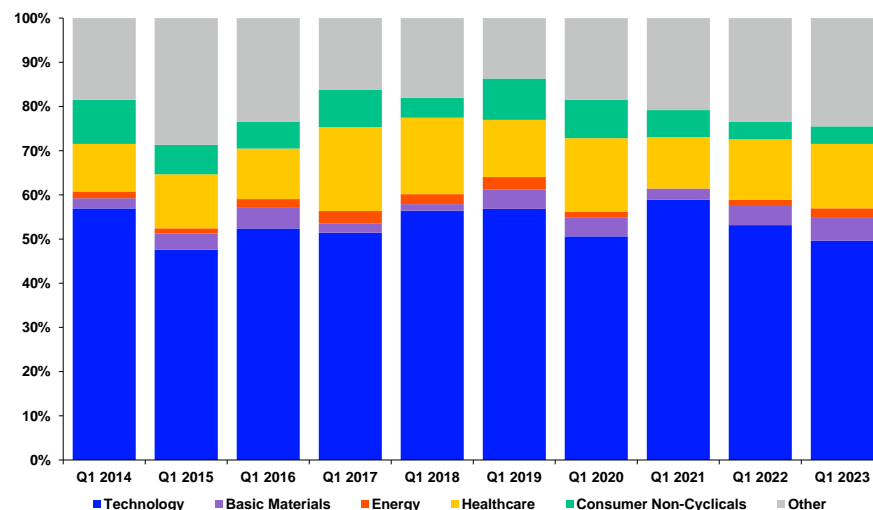
Top Canadian Venture Capital Deals

Company Name	Deal Date	Deal Value (CA\$mil)	Sector	Location
Equisoft Inc	01/03/23	\$169.9	Technology	Québec
Blockstream Corporation	01/26/23	\$166.5	Technology	Québec
LayerZero Labs Ltd	03/24/23	\$164.9	Technology	British Columbia
Filo Mining Corp	01/12/23	\$158.3	Basic Materials	British Columbia
Octopusapp Inc	02/07/23	\$134.5	Technology	Alberta
Silfab Solar Inc	03/08/23	\$125.0	Energy	Ontario
Summit Nanotech Corp	01/17/23	\$66.9	Basic Materials	Alberta
No Meat Factory Inc	01/12/23	\$56.1	Consumer Non-Cyclicals	British Columbia
Northstar Earth & Space Inc	01/05/23	\$47.2	Government Activity	Québec
Taiga Motors Corp	03/27/23	\$40.2	Consumer Cyclical	Québec
Smile CDR Inc	01/26/23	\$40.0	Technology	Ontario
Airex Energie Inc	11/07/22	\$38.0	Energy	Québec

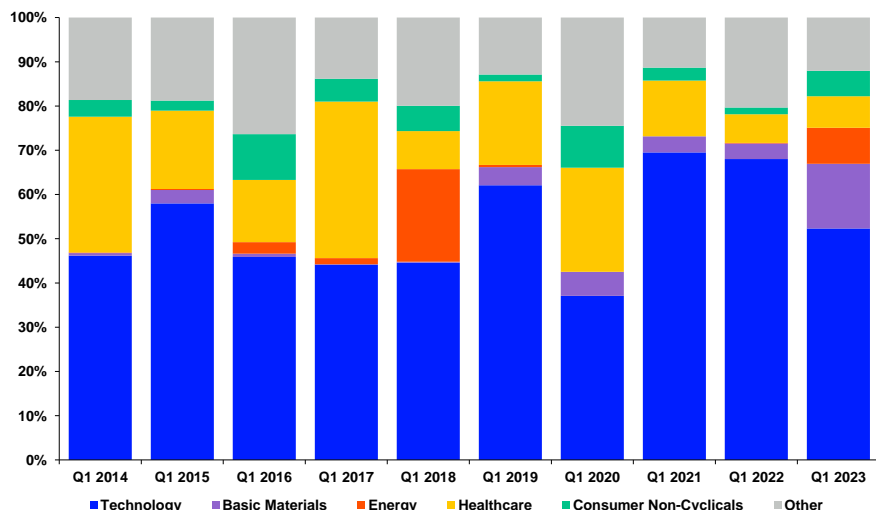
Top VC Deals by Canadian Firms Investing Abroad

Company Name	Deal Date	Deal Value (CA\$mil)	Sector	Nation
Persimmon Ai Labs Inc	03/13/23	\$480.3	Technology	United States
Asimov Inc	01/05/23	\$237.5	Healthcare	United States
Amolyt Pharma SAS	01/06/23	\$186.0	Healthcare	France
R-Zero Systems Inc	02/16/23	\$141.3	Industrials	United States
Mr Jeff Labs SL	02/03/23	\$130.1	Technology	Spain
LENZ Therapeutics Inc	03/07/23	\$114.8	Healthcare	United States
SpanIO Inc	03/03/23	\$114.1	Industrials	United States
NextPoint Therapeutics, Inc.	01/10/23	\$107.4	Healthcare	United States
Hexagon Bio Inc	02/13/23	\$103.0	Healthcare	United States
Shef Inc	03/01/23	\$99.9	Technology	United States
Garuda Therapeutics Inc	02/03/23	\$83.2	Healthcare	United States
AngleHealth Inc	01/25/23	\$77.7	Technology	United States

Investments by Sector, Number of Deals



Investments by Sector, Amount Invested



Investments

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Top Investors in Canadian Deals

Firm Name	Rank	# of Deals	Firm Location
Business Development Bank of Canada	1*	8	Canada
Export Development Canada	1*	8	Canada
Investissement Quebec	3	7	Canada
Fondaction-CSN	4*	6	Canada
Real Investment Management Inc	4*	6	Canada
Anges Quebec	6	4	Canada
Amplify Capital	7*	3	Canada
Cycle Capital Management (CCM) Inc	7*	3	Canada
Desjardins Capital Management Inc	7*	3	Canada
Fonds de solidarite des travailleurs du Quebec	7*	3	Canada
Golden Opportunities Fund Inc	7*	3	Canada
Portag3 Ventures Inc GP	7*	3	Canada
Sandpiper Ventures	7*	3	Canada
Sosv Investments LLC	7*	3	Ireland
Techstars Central LLC	7*	3	United States
Viking Global Investors LP	7*	3	United States

Top Investors in Canadian Deals - Central Canada

Firm Name	Rank	# of Deals	Firm Location
Export Development Canada	1*	7	Canada
Investissement Quebec	1*	7	Canada
Business Development Bank of Canada	3*	6	Canada
Fondaction-CSN	3*	6	Canada
Real Investment Management Inc	5	5	Canada
Anges Quebec	6	4	Canada
Desjardins Capital Management Inc	7*	3	Canada
Cycle Capital Management (CCM) Inc	7*	3	Canada
Fonds de solidarite des travailleurs du Quebec	7*	3	Canada
Viking Global Investors LP	7*	3	United States

Top Canadian Investors in Non-Canadian Deals

Firm Name	Rank	# of Deals	Firm Location
CIBC Innovation Banking	1*	4	Canada
Sectoral Asset Management Inc	1*	4	Canada
ArcTern Ventures	3*	3	Canada
Chrysalix Venture Capital	3*	3	Canada
Omers Ventures	3*	3	Canada
Canada Pension Plan Investment Board	6*	2	Canada
CDP Capital Private Equity	6*	2	Canada
GroundBreak Ventures	6*	2	Canada
Lumira Capital Investment Management Inc	6*	2	Canada
McRock Capital Corp	6*	2	Canada
TELUS Ventures	6*	2	Canada

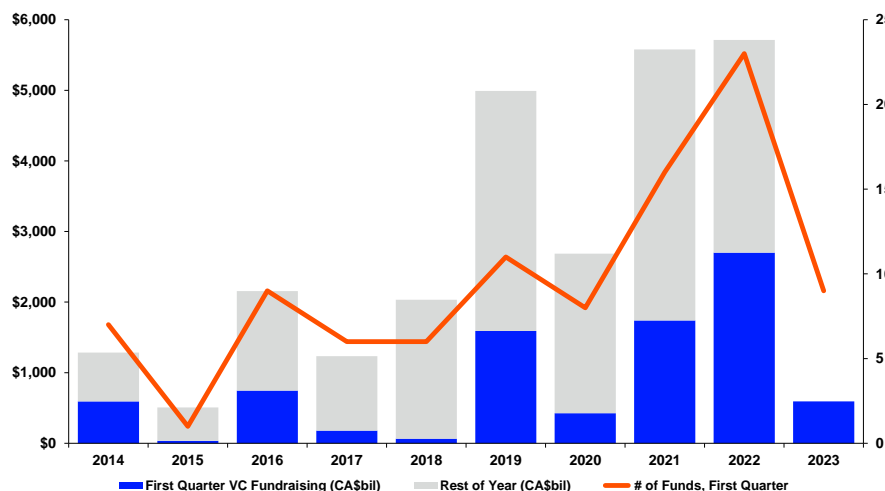
Top Investors in Canadian Deals - Atlantic Region

Firm Name	Rank	# of Deals	Firm Location
Atlantic Canada Opportunities Agency	1*	2	Canada
Sandpiper Ventures	1*	2	Canada
S2g Ventures LLC	3*	1	United States
Buoyant Ventures Fund LP	3*	1	United States
Panoramic Ventures	3*	1	United States
Pelorus Venture Capital Ltd	3*	1	Canada

Fundraising

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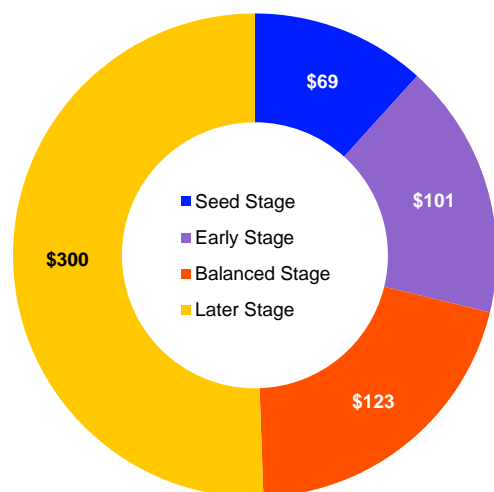
Canada Venture Capital Fundraising Activity



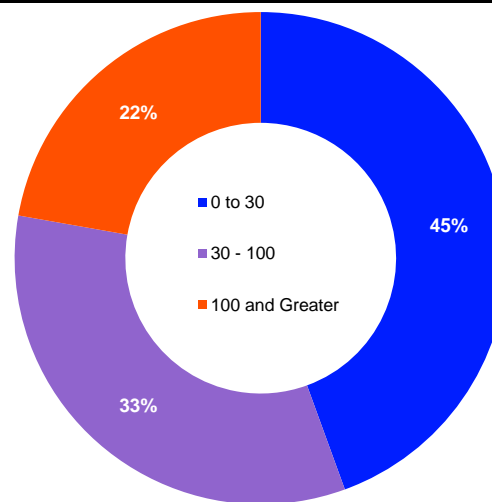
Largest Venture Capital Funds Raised in Canada

Fund Name	Latest Closing Date	Amount Raised (CA\$mil)	Total Fund Size (CA\$mil)	Fund Stage
Vertu Partners Fund I	03/22/23	\$300.0	\$300.0	Later Stage
Yaletown Partners Innovation Growth Fund II	03/09/23	\$70.0	\$213.4	Early Stage
Manitoba First Fund	03/15/23	\$68.8	\$68.8	Balanced Stage
Pender Technology Inflection Fund II	01/25/23	\$67.0	\$67.0	Seed Stage
Raven Fund II	01/31/23	\$53.7	\$100.0	Balanced Stage
GreenSky Accelerator Fund V	02/13/23	\$17.0	\$17.0	Early Stage
Evok Fund II	02/07/23	\$13.4	\$13.4	Early Stage
Sprout.vc Fund II	03/09/23	\$2.5	\$16.5	Seed Stage
Brass Fund One LLP	02/06/23	\$1.0	\$1.0	Early Stage

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



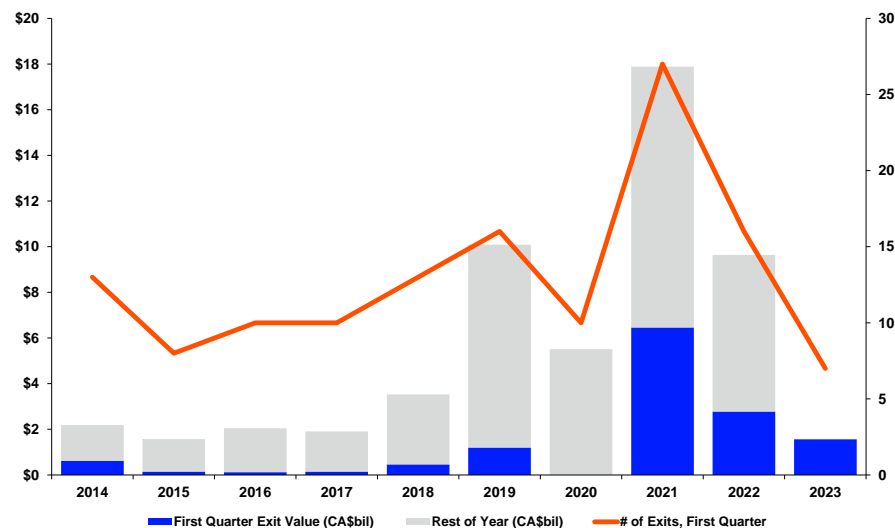
Venture Capital Q1 Fundraising by Fund Size, Number of Funds



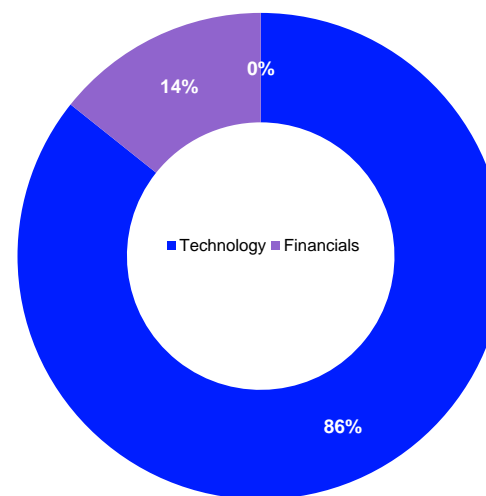
Exits

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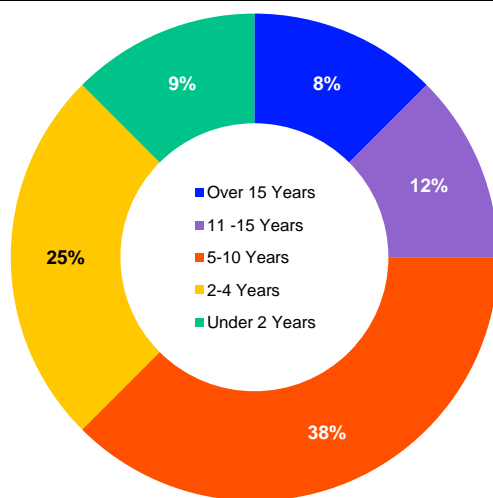
Canada Venture Capital Completed Exit Activity



Exit Volumes by Sector



Time to Exit



Top Announced Canada Venture Capital-Backed Exits

Company Name	Ann. Date	Deal Value (CA\$mil)	Sector	Exit Type
GaN Systems Inc	03/02/23	\$1,128.3	Technology	Merger
Neovasc Inc	01/17/23	\$143.6	Healthcare	Merger

Canada Venture Capital Criteria

First Quarter 2023

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:

CANADA

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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. Announced league tables include announced and completed deals that were announced between January 1st, 2023 and March 31st, 2023 and of which Refinitiv was made aware.

All current and previous years data is as of Friday, April 28th, 2023. Data is continuously updated and is therefore subject to change. All figures are in Canadian dollars unless otherwise noted.

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