

BC Tech Report

Q1 2020

In-depth coverage of Vancouver, Victoria and the BC tech ecosystem.

Hockeystick is pleased to add British Columbia to its growing list of quarterly Canadian tech ecosystem reports. Concentrated on Vancouver, but with a growing early-stage engine in Victoria, BC is one of Canada's most important regions in terms of innovation and venture capital. Data is sourced from Hockeystick, Canada's largest database of technology startups and funding, and official data partner of the Canadian Venture Capital & Private Equity Association (CVCA). Organizations wishing to contribute to future reports should contact news@hockeystick.co.

\$246M

✓ 5%

Total Funding Raised in Q1

50

✓ 22%

Funding Rounds

58

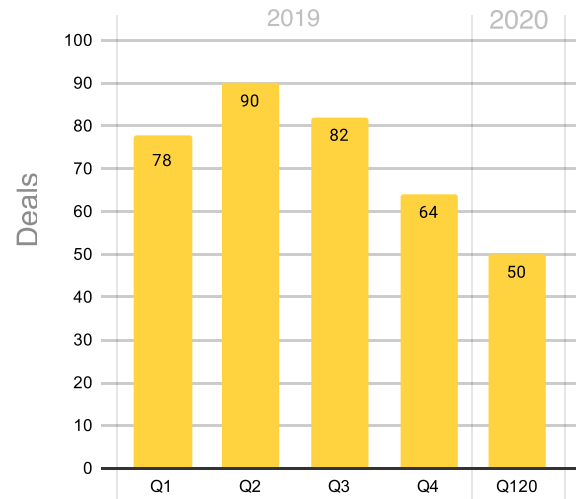
Investors

Hockeystick tracked \$246M in funding in British Columbia in Q1 2020, a 5% decline in funding from the prior quarter but a 6% increase from Q1 2019.

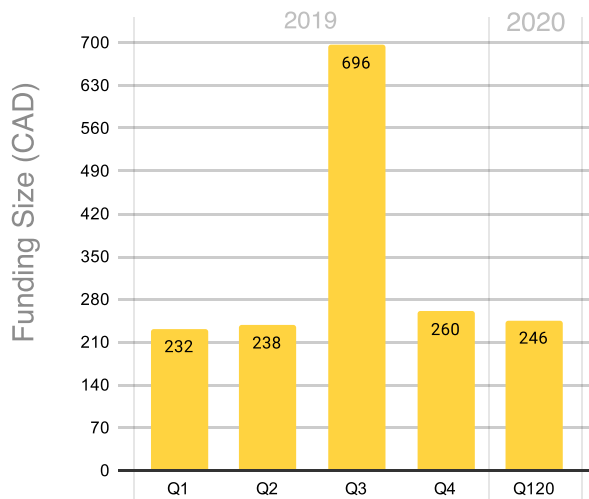
The 50 deals closed represented a 22% drop from Q4 and 36% from Q1 2019.

While there has been a steady decline in deal volume, the total funding amount in BC is remarkably consistent, falling in the \$232M-\$260M range over the last five quarters, with Q3 2019 being exceptional at close to \$700M.

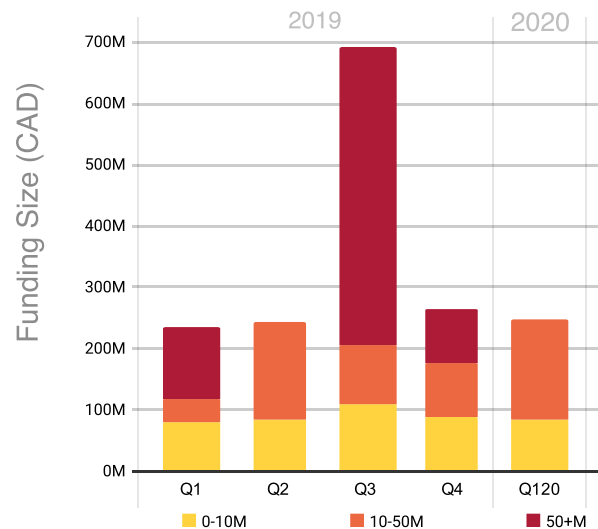
Quarterly Funding Rounds



Quarterly Fundraising



Quarterly Funding by Deal Size

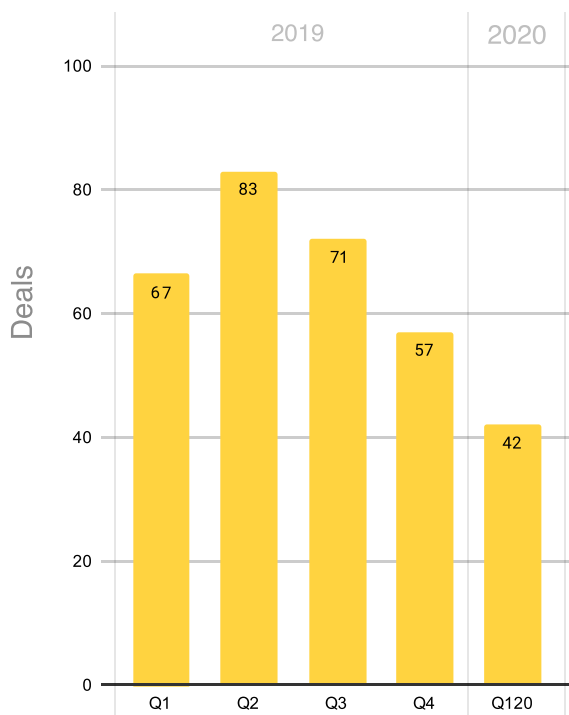


The Greater Vancouver Area, Victoria, and Kelowna all recorded deals in Q1. 84% of all deals were in Vancouver followed by Victoria with 14%. All Victoria investments in Q1 were either Seed or Series A which shows the city's growing support of early-stage startups. Kelowna's Simply Benefits raised a \$1M seed round.

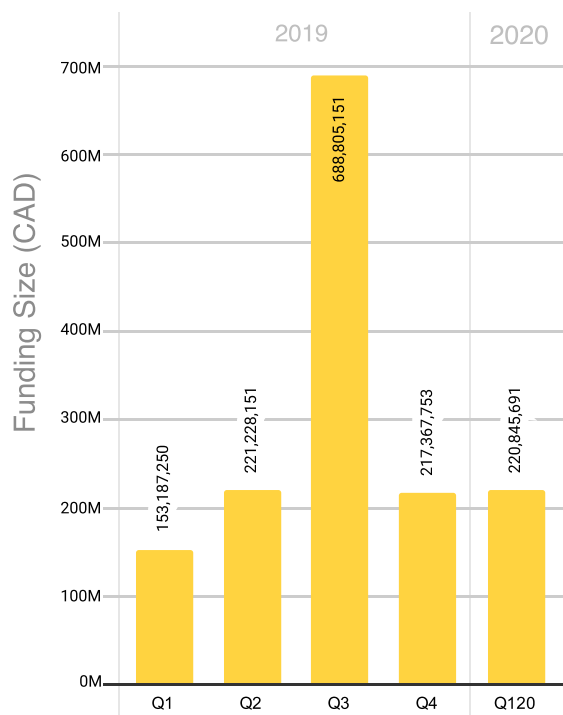
Vancouver

Deal volume in Vancouver has been steadily dropping over the last year while the total amount of capital deployed has been consistent.

Vancouver
Quarterly Deals

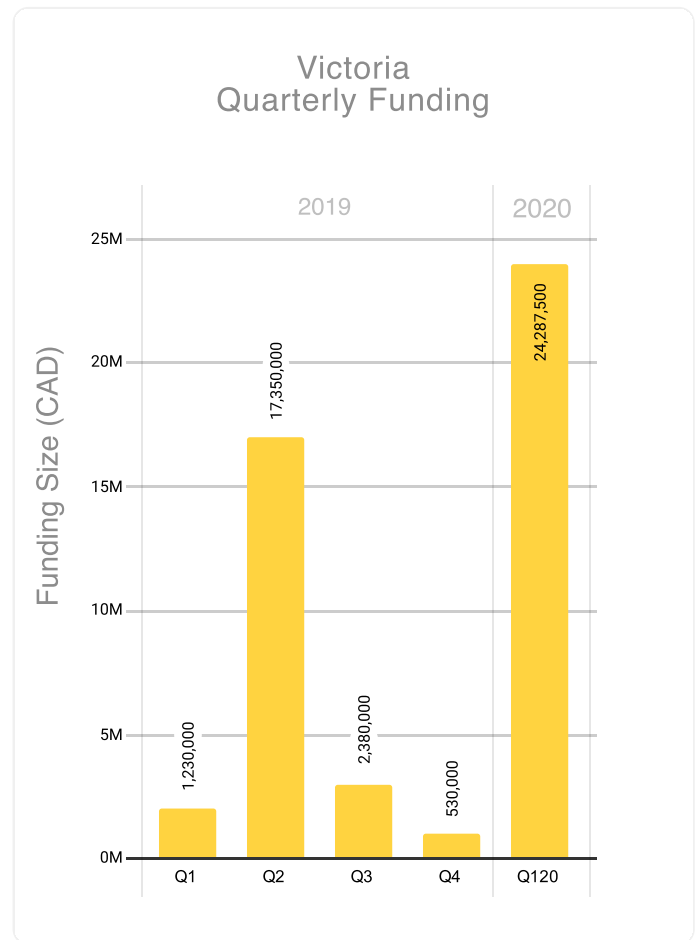
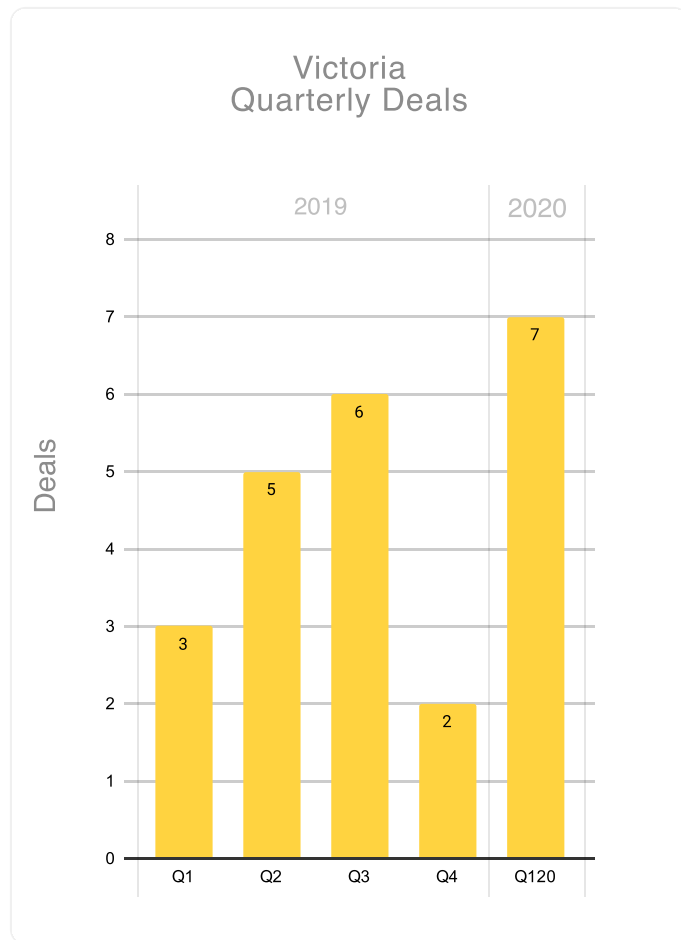


Vancouver
Quarterly Funding



Victoria

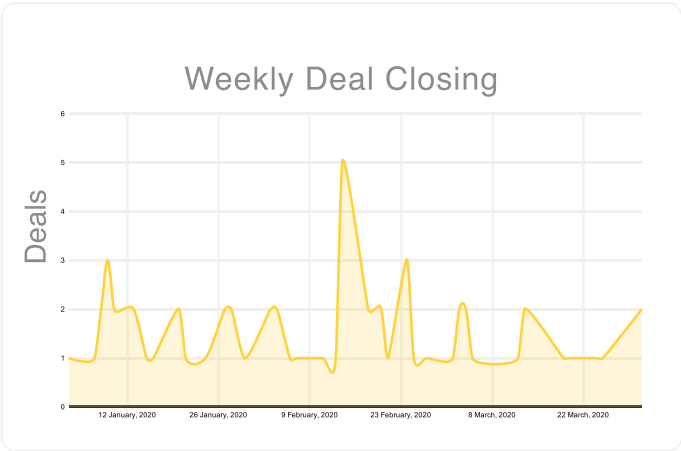
While Vancouver's deal quantity was down Victoria experienced a five-quarter high with 7 investments totalling \$24M.



Victoria companies raised more money in Q1 than in all of 2019. This was not due to an outlier deal as there were three deals over \$5M including Certn's \$6.1M Seed Round and Checkfront's \$9.3M Series A. Of the seven deals that took place in the city in Q1, six were seed deals and one was a Series A deal. Top investors in the city include Framework Venture Partners who led Checkfront's Series A and San Francisco-based Tribe Capital who led Certn's Seed Round. Other active investors included Dash40 Ventures, PenderFund Capital Management, Altair Capital, and Good News Ventures.

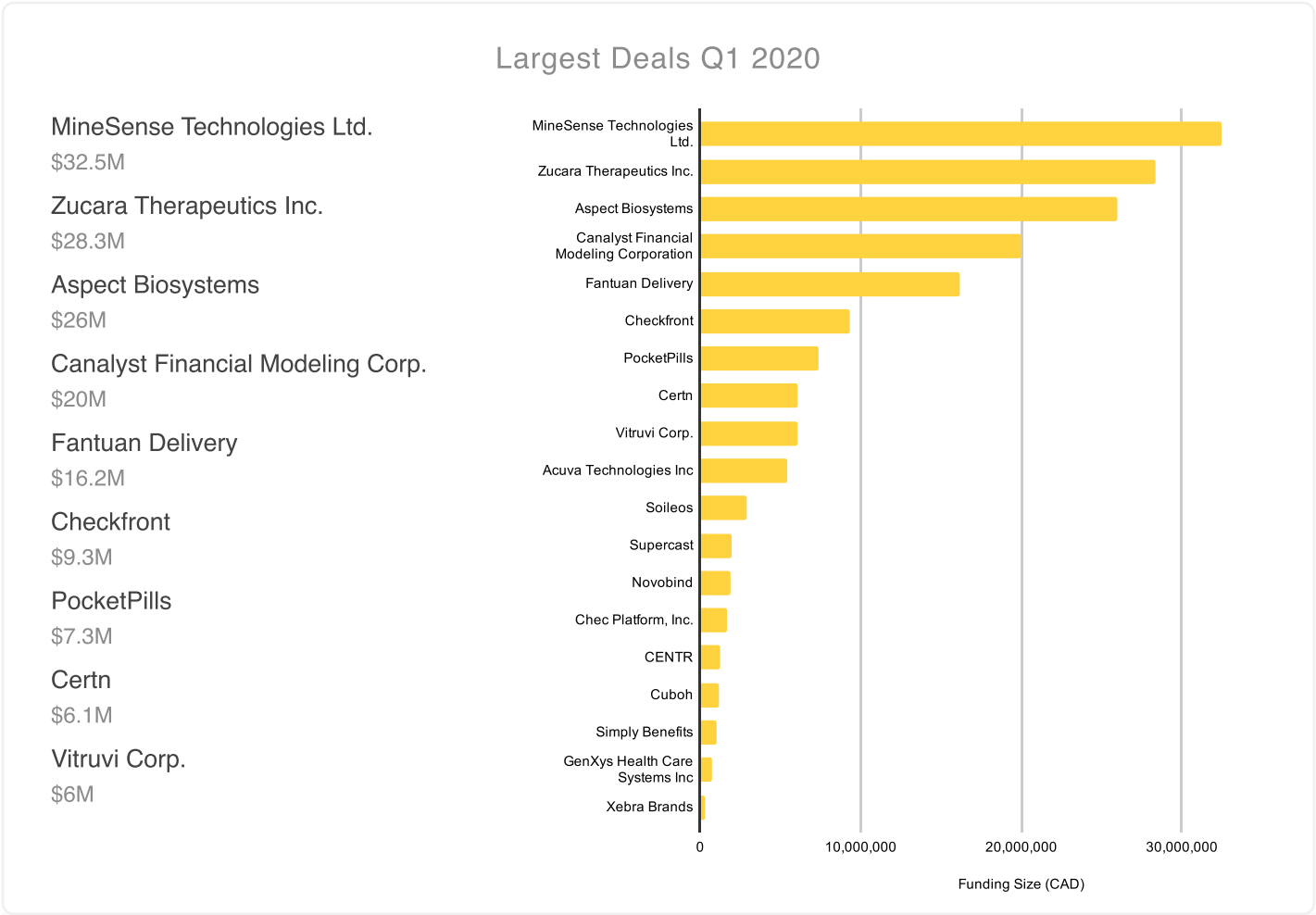
Impact of COVID-19

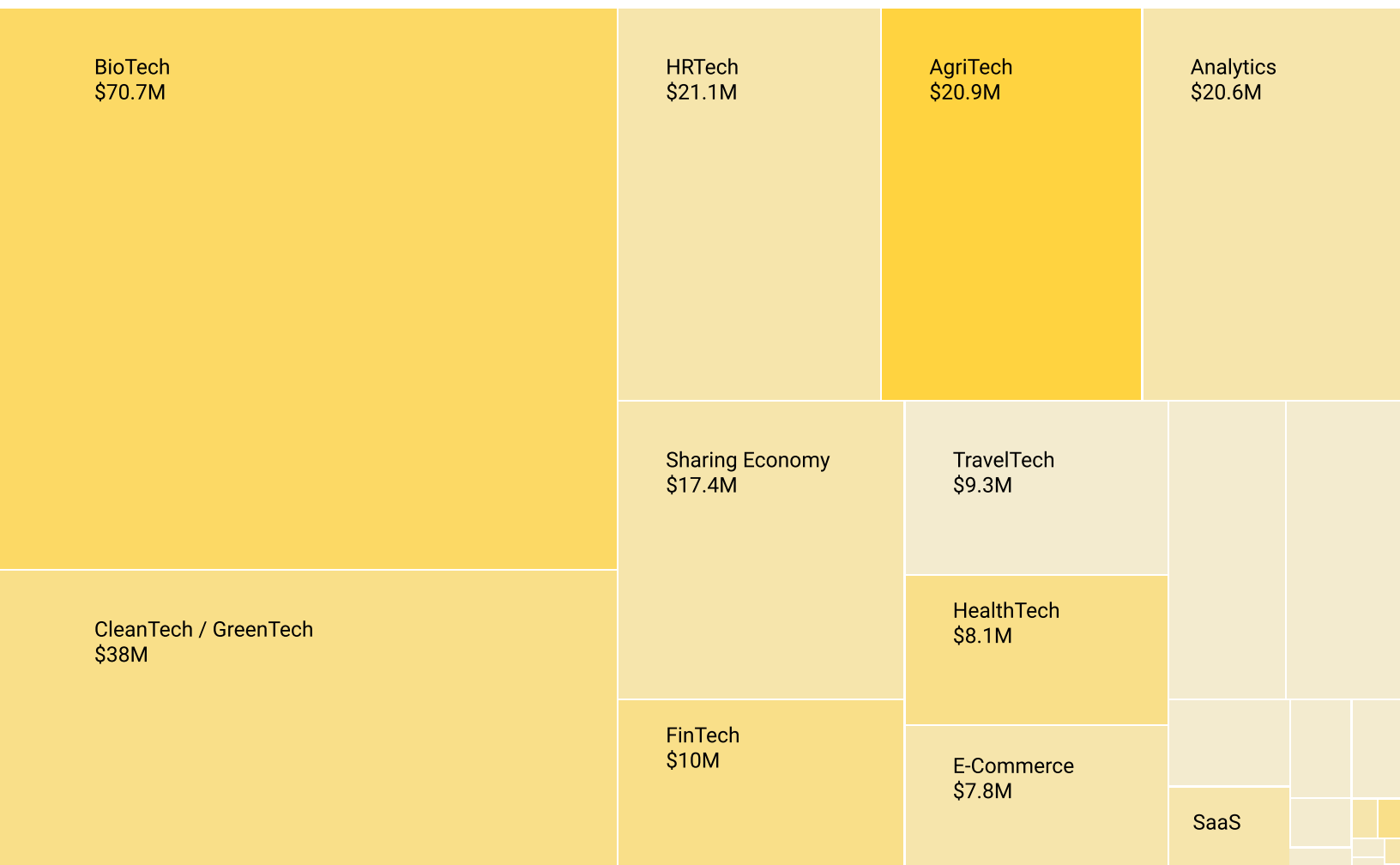
Despite the onset of the COVID-19 pandemic and ensuing lockdown mid-way through the quarter, there was no discernible effect on deal closings.



Venture Funding Highlights

Two of the three largest funding rounds of Q1 2020 went to BioTech startups. Zucara Therapeutics raised a \$28M Series A and Aspect Biosystems raised a \$26M Series A. The largest deal closed in the quarter was in CleanTech, with MineSense Technologies raising \$32.5M in Series D funding for its advanced sensor technologies for the mining industry.





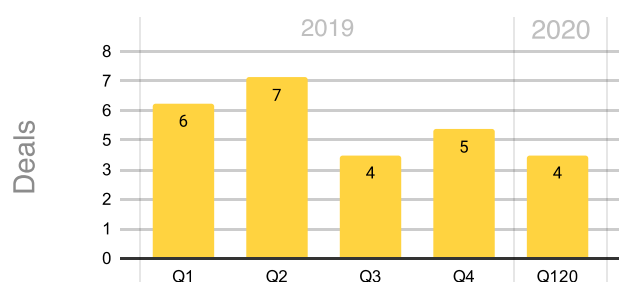
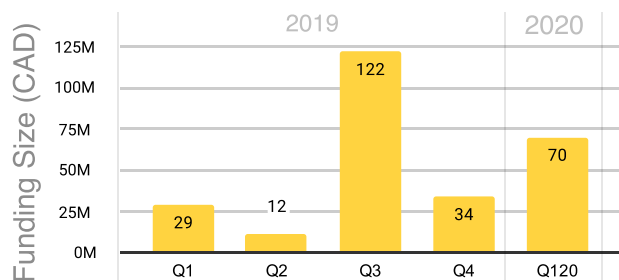
Breakdown of Q1 Funding by Vertical

Top BC Verticals:

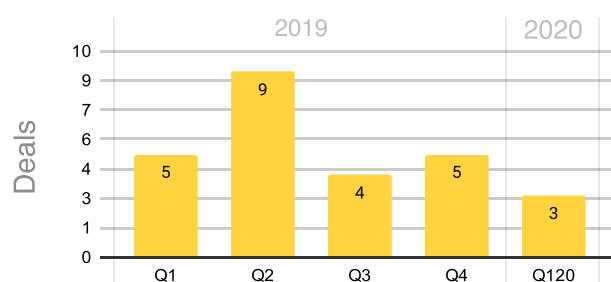
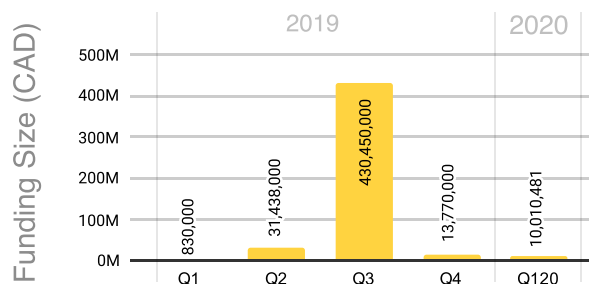
BioTech, CleanTech, HRTech, Analytics, and AgriTech were the top five verticals in Q1 in British Columbia, attracting 61% of all funding.

BioTech has been a consistent vertical in BC that sees large deals occurring nearly every quarter. Q1 2020 was no exception as the BioTech firms again raised the most funding. There were more AgriTech deals than any other vertical which is unusual in the region. Funding included Lucent Biosciences' Soileos which raised a \$2.9M seed round for its environmentally-friendly fertilizer and Novobind who raised a \$1.9M Series A round for its precision biologics for livestock. CleanTech was led by MineSense Technologies' \$32.5M series D.

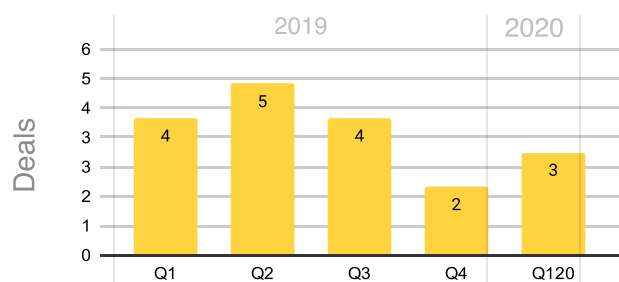
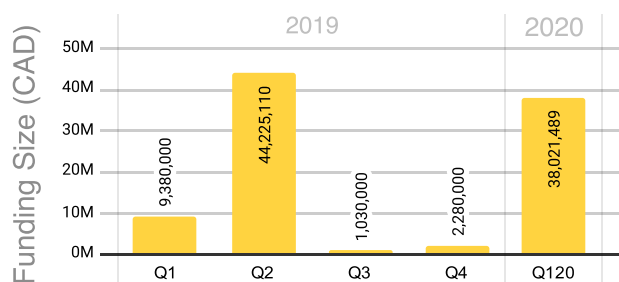
BioTech



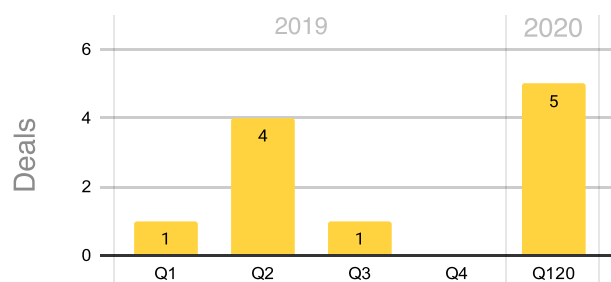
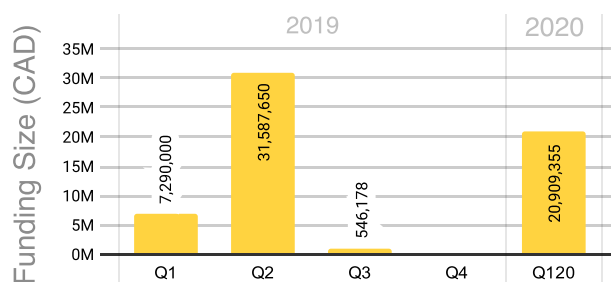
FinTech



CleanTech

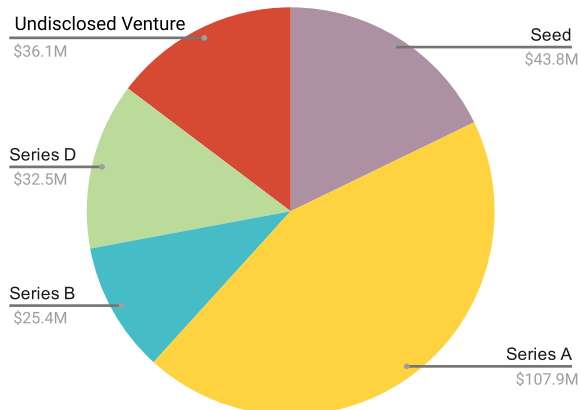


AgriTech

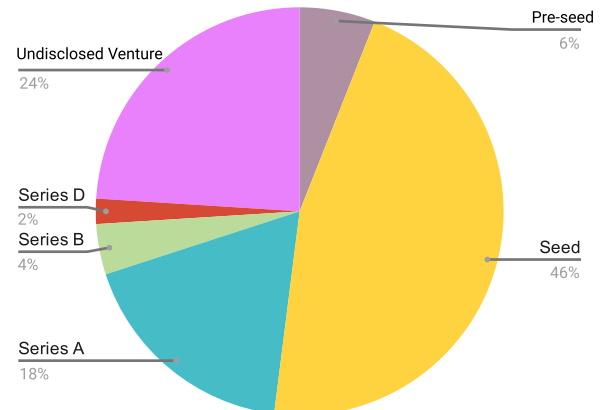


British Columbia's early stage ecosystem had a very healthy quarter. The \$43M in seed funding was higher than both Toronto and Montreal in Q1. Total Series A funding was also higher than any other regional ecosystem in Canada.

Q1 Funding by Round



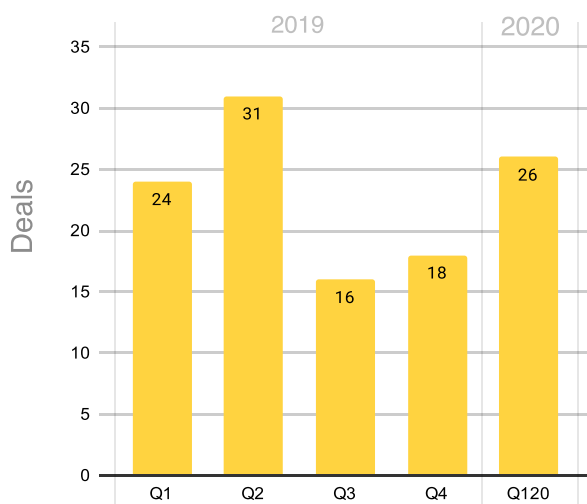
Q1 Deal Quantity by Round



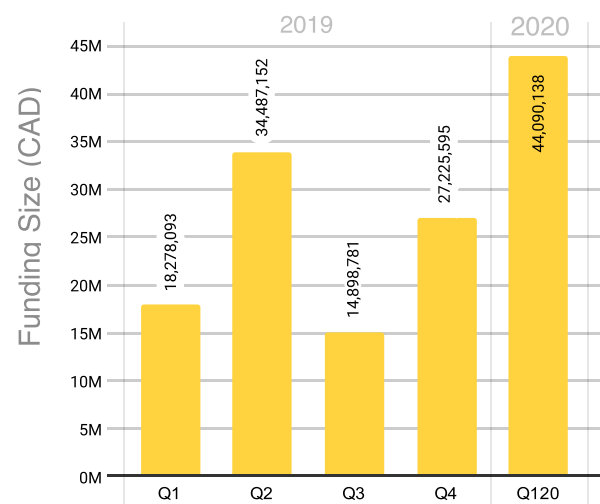
Seed Investments

While the number of disclosed seed deals in Q1 was comparable to Q1 2019, total seed funding is a five-quarter high, a promising sign for future growth.

Quarterly Seed Deals



Quarterly Seed Funding

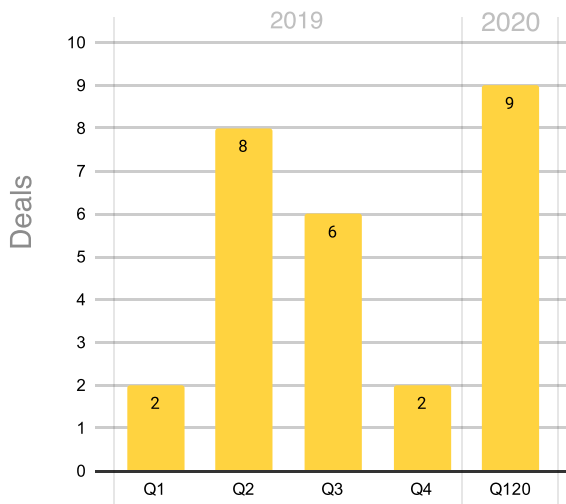


¹ Note that data on historical deals includes a significant number of unclassified rounds; the following breakdown includes only rounds with a disclosed round type

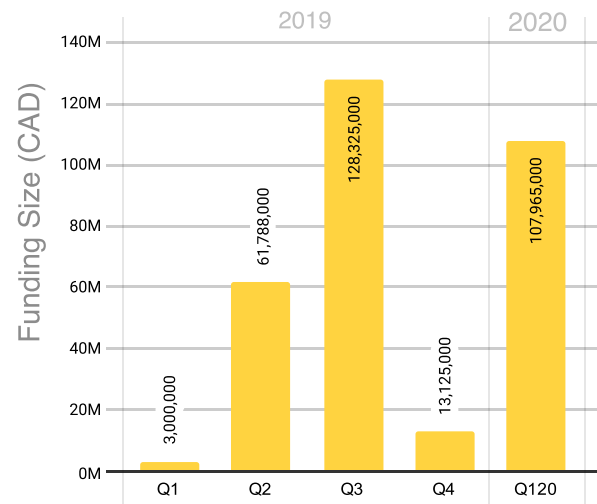
Series A Investments

The region also saw a five-quarter high in the number of disclosed Series A rounds and the second highest amount of Series A funding over five quarters.

Quarterly Series A Deals



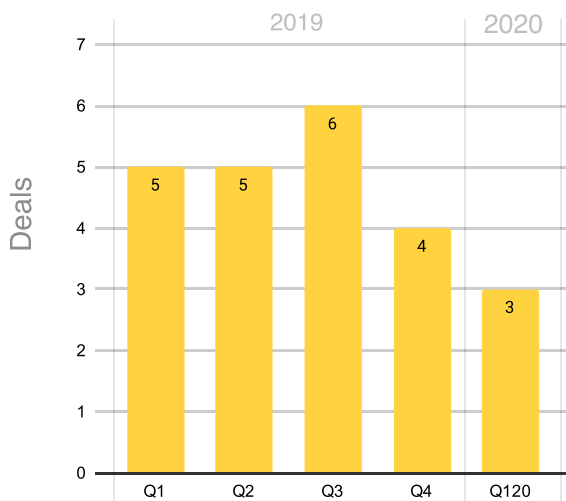
Quarterly Series A Funding



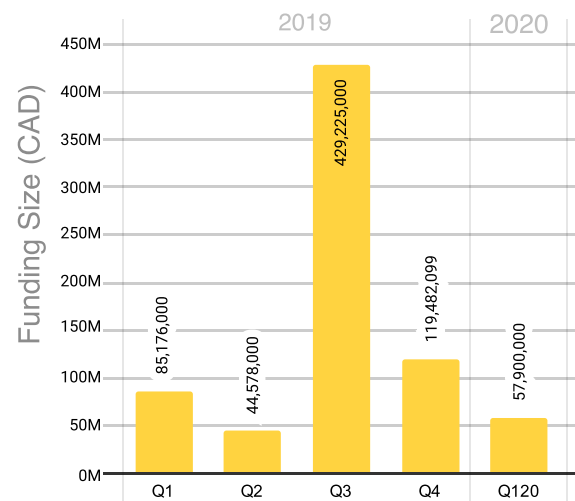
Later Stage Funding

Later stage venture rounds, Series B and above, were down in the quarter with only 3 deals closed total \$57M. The 3-5 late stage deals closed per quarter is similar to investment activity in Montreal and the GTA. Total late stage funding is also similar to Montreal in Q1 but less than half of Toronto which still leads Canada in terms of large, late stage venture deals.

Series B+ Deal Quantity













Series B+ Funding Amounts



Top Investors by number of deals

over the last 12 months

Active Investors by Stage - Q1

Pre-seed & Seed

Alumni Ventures Group
 AngelPad LLC
 Arch Venture Corporation
 Correlation Ventures
 DROIA Oncology Ventures
 GF Securities Inc.
 Global Founders Capital
 Initialized Capital
 Palm Drive Capital
 Polaris Partners VII, L.P.
 Quart Venture Fund I
 TELUS Ventures

Series A

Rhino Ventures
 Harbinger Ventures LLC
 Lyra Growth Partners
 Pallasite Ventures Fund IV, LLC
 Pangaea Ventures IV, LP
 Perceptive Xontogeny Venture Fund
 Radical Ventures II
 Vancouver Funder Fund II, L.P.
 WaterBridge Capital Advisors LLP

Series B+

Aberdeen Venture Partners
 ArcTern Ventures
 Aurus Ventures
 BC Tech Fund
 BDC Capital IT Venture Fund
 Business Development Bank of Canada
 Chrysalix Energy Venture Capital
 Cycle Capital Fund III L.P.
 Emerald Industrial Innovation Fund LP
 GGV Capital VII L.P.
 Kensington Venture Fund
 Next Frontier Capital Fund, LP
 Prelude Ventures, LLC
 Ridge Ventures IV
 Sapphire Ventures LLC
 TELUS Ventures



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