

# BC Tech Report

## Q2 2020

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

## US based investment in Life Sciences companies contribute to a strong BC tech ecosystem, with \$390M in venture funding in Q2

The BC tech ecosystem continues to show significant and consistent funding activity, with over \$390M raised across 40 venture deals in Q2. This is on the heels of Q1, which showed strong activity with \$246M in VC deals closed.

Q2 was highlighted by strong Life Sciences activity. This is consistent with both National and BC growth in Life Sciences based on tracking of activity across 4 domains (Health Technology, BioPharma, Devices, and Diagnostic Tools). Between 2017-2019, these domains resulted in over \$2.4B raised between 2017-2019, with the BC tech ecosystem accounting for over 13% of those deals.

### From a national perspective:

In 2019:

- In comparison to the GTA, the BC tech ecosystem total amount raised trailed over the year. This was not the case this quarter, as the amount raised was much higher than GTA's value
- In comparison to the GMA, the BC tech ecosystem total amount raised was higher over the year. This was also true in Q1 2020. This quarter, BC kept within reach of GMA's high activity of \$566M raised

# \$390M

Total Funding Raised in Q2

↑ Up 58%

# 40

Funding Rounds

↓ Down 20%

# 49

Investors

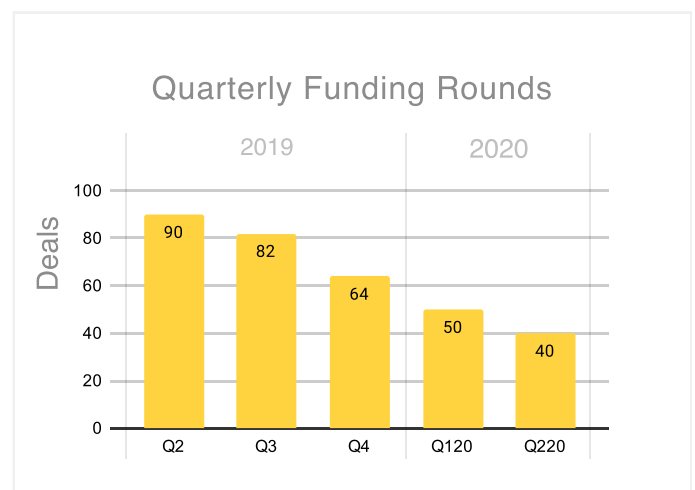
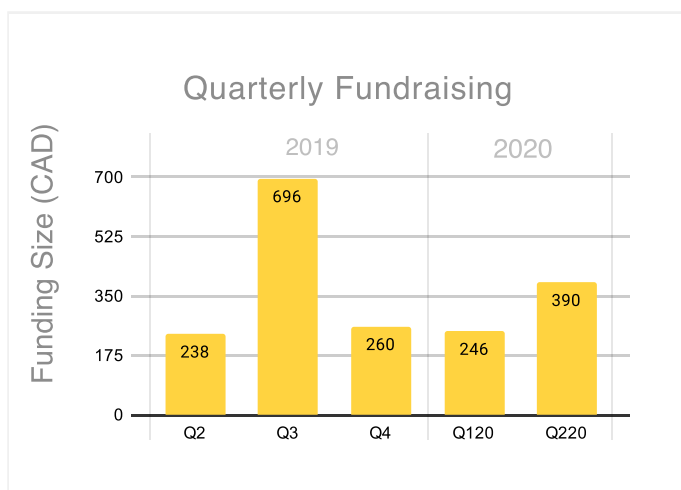
↓ Down 15%

The \$390M raised across 40 deals were driven by large, late-stage deals in Life Sciences by companies Abcellera (\$144M) and ARTMS (\$25M).

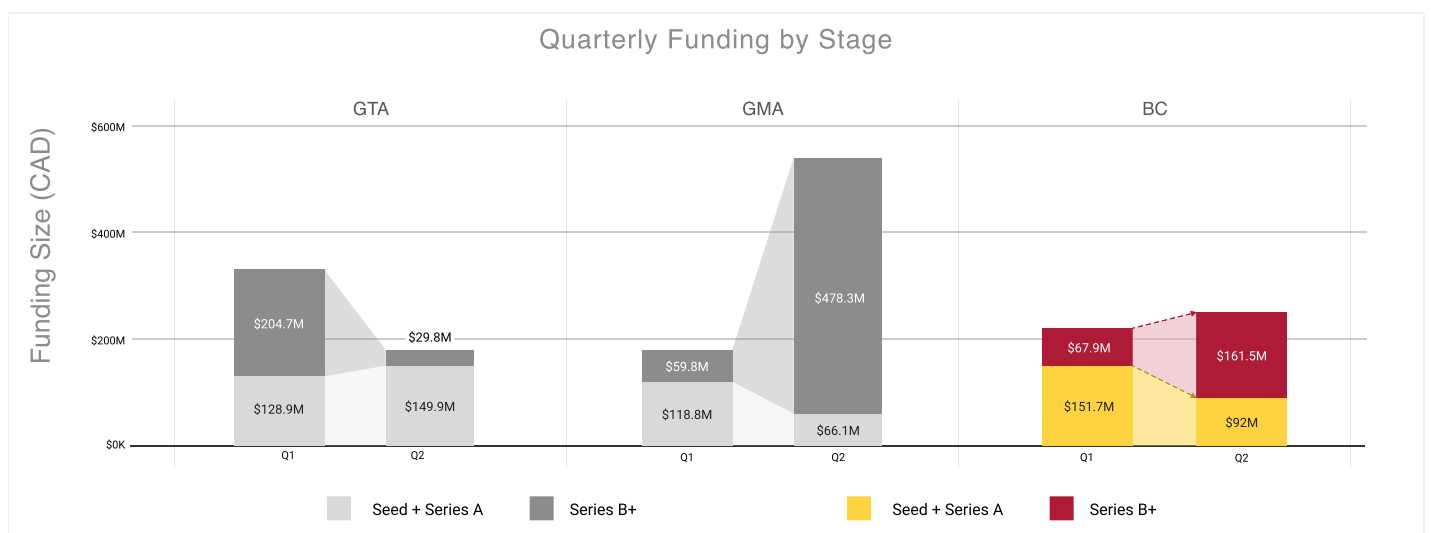
Abcellera's Series B round follows the organization securing \$175M in Innovation, Science and Economic Development (ISED ) funding. The ISED funding is to further research on COVID-19 antibody development, for which Abcellera has also partnered with US-based Eli Lilly & Co.

Other notable deals came from technology companies in the B2B space highlighted by:

- Unbounce, the landing page services company, raised \$52M of later stage funding to fuel upcoming growth
- Foodee raised \$13M as they transitioned services from traditional office catering packaging to individually packaged office meals.

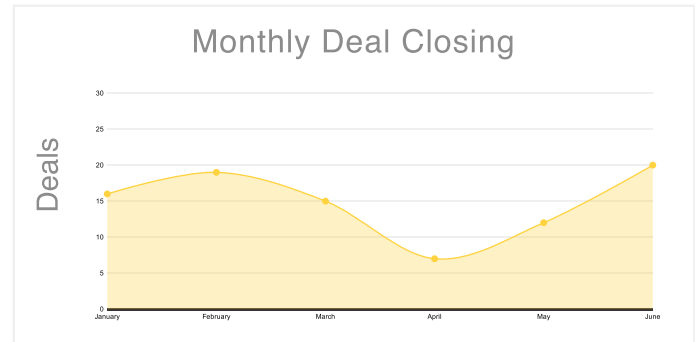


These deals contributed to a larger amount of later stage deals (Series B+) as compared to early stage deals (Seed + Series A), comparable to the case in the GMA, but a contrast to the activity in GTA. The GTA had a majority of early stage deals in Q2. Despite these large late-stage deals, activity was also present in the early stages. This was highlighted by a large US-led Seed deal in Life Sciences, for Sonic Incytes, a data-driven medical device company.



## Impact of COVID-19

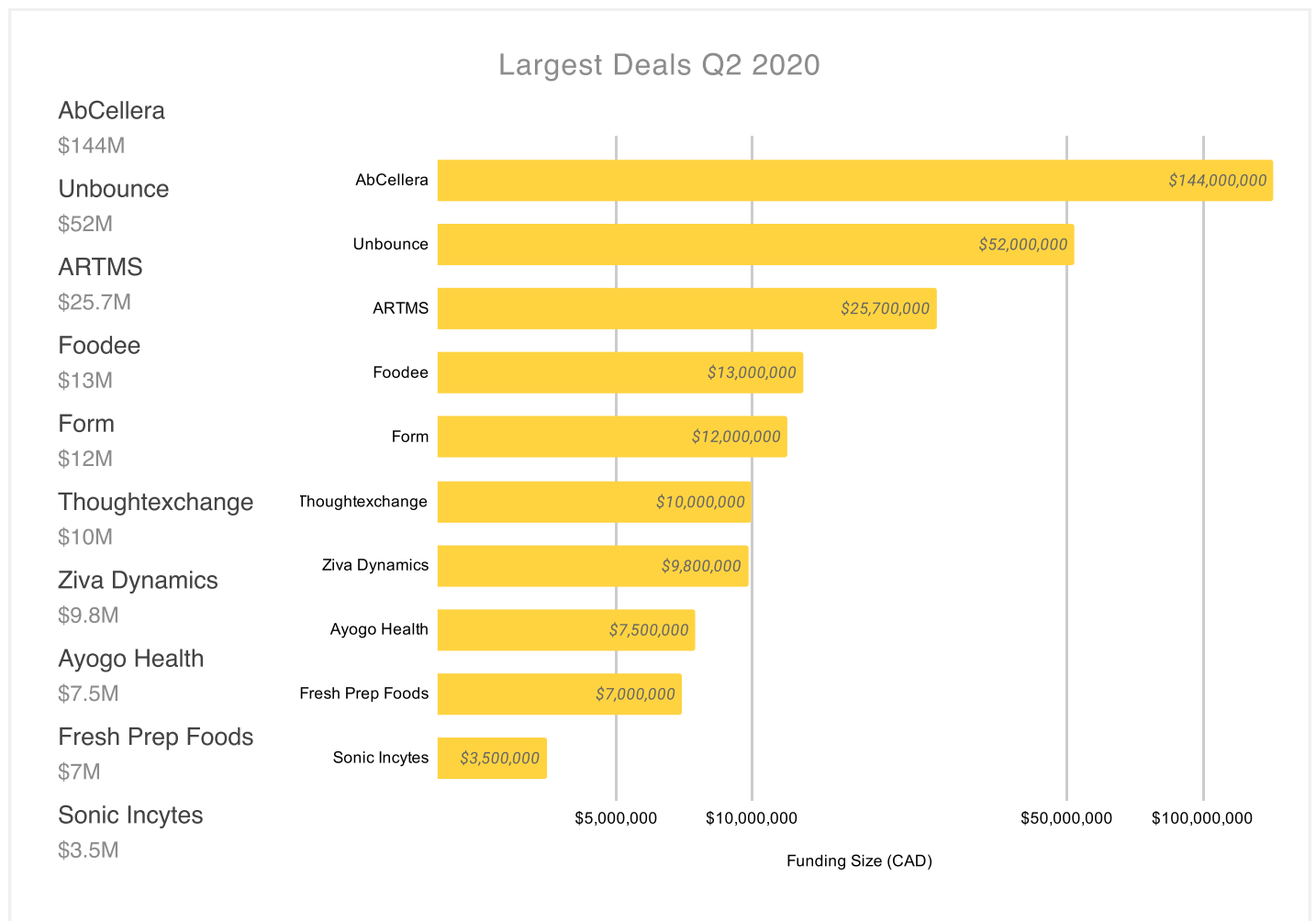
Like the GTA and GMA ecosystems, there has not been a slowdown in deal volume from Q1 to Q2. While Q2 deal activity did show a slight dip at the beginning of the quarter, May and June followed with an upward trend of deal activity.



## Highlighted Funding Rounds

COVID-19 impact can be seen in the nature and volume of some of the largest Q2 deals as highlighted by:

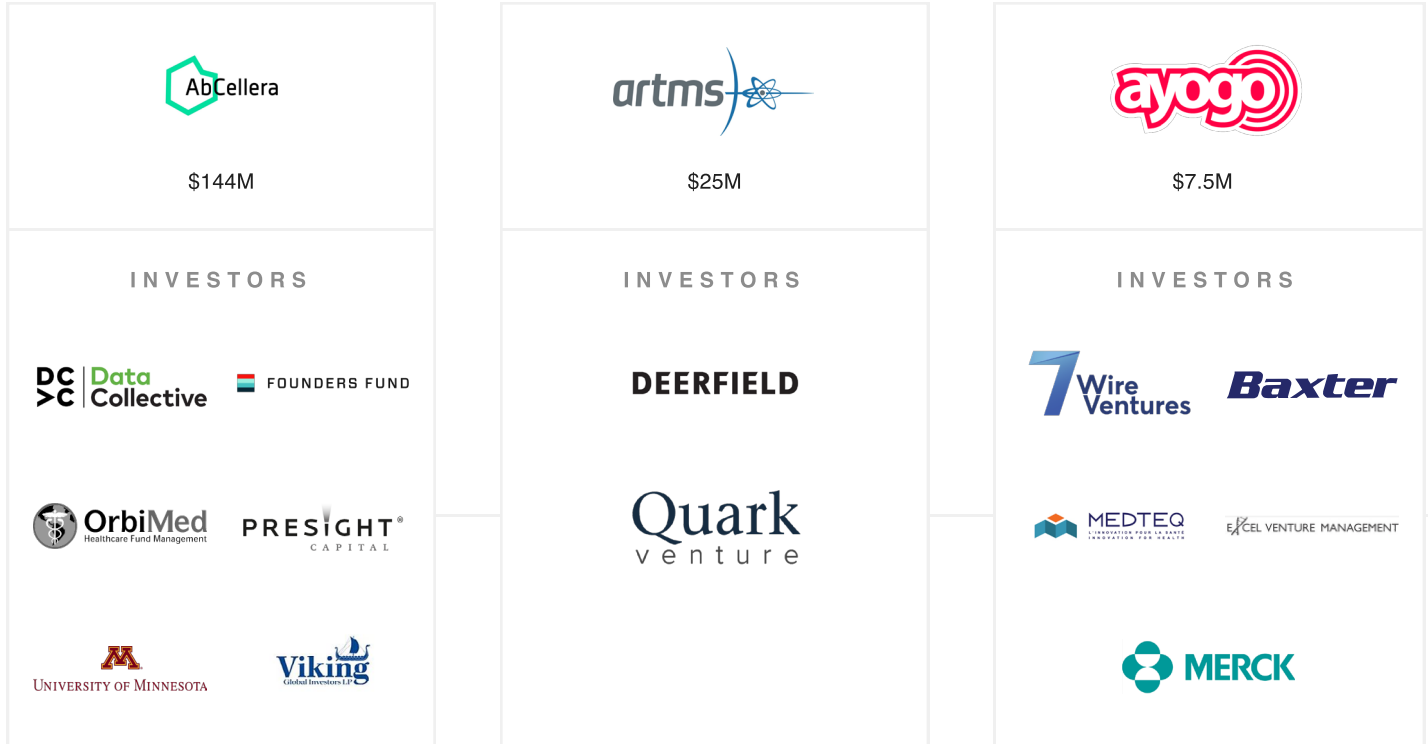
- The discussed Abcellera deal, which includes a focus on COVID-19 antibody development
- Foodee's \$13M deal resulted in them transitioning to individually packed meals, to offer safer catering addressing concerns related to COVID-19
- In the e-commerce B2C space, Fresh Prep, a home meal kit delivery company raised \$7M, at a time where consumer grocery behaviour is impacted by COVID-19





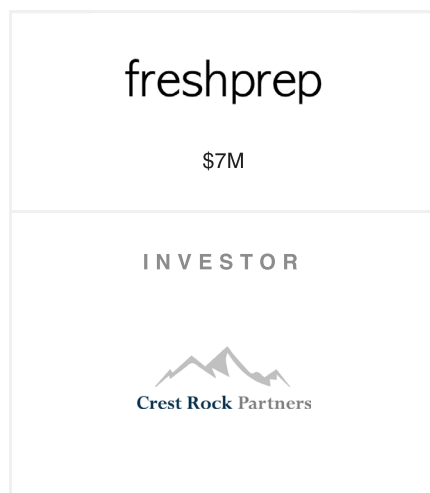
## Life Sciences

With over \$194M invested across 11 deals, this is the highest activity vertical in terms of both amount raised and number of deals.



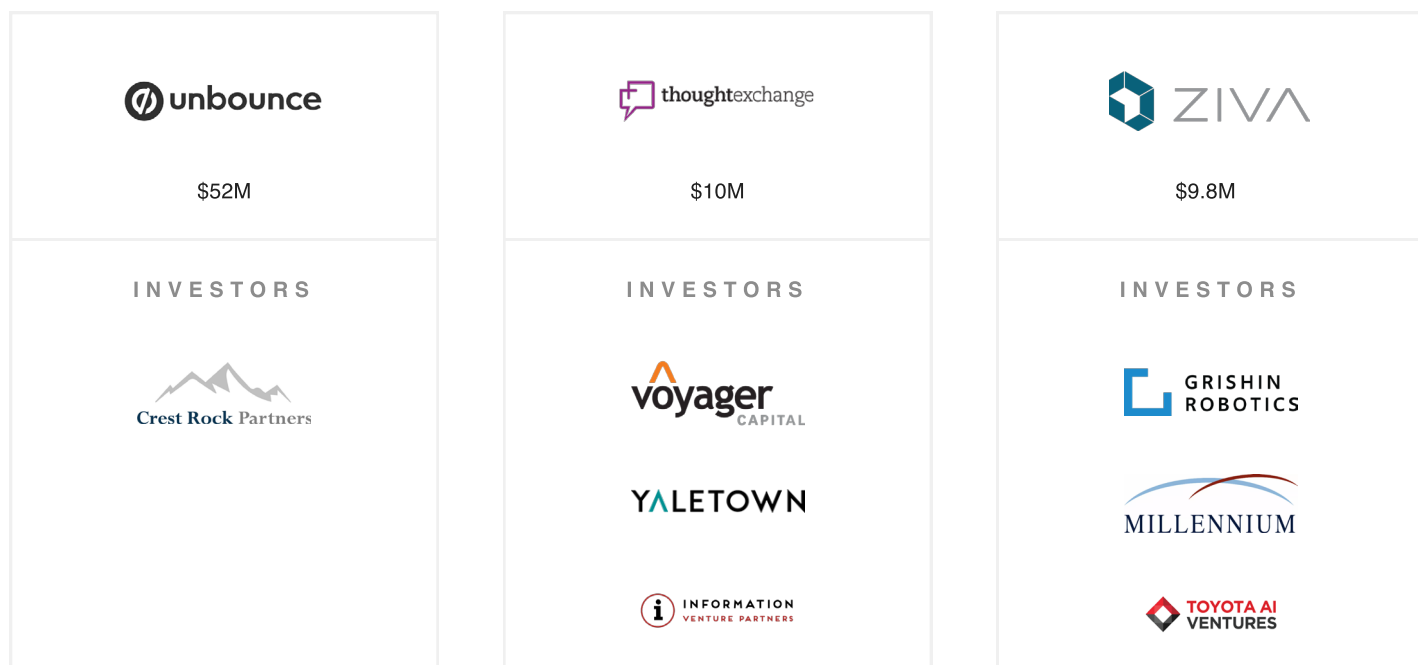
## B2C Technology

This vertical raised \$10M, across 2 deals. This was largely driven by a large deal by Fresh Prep Foods (\$7M)



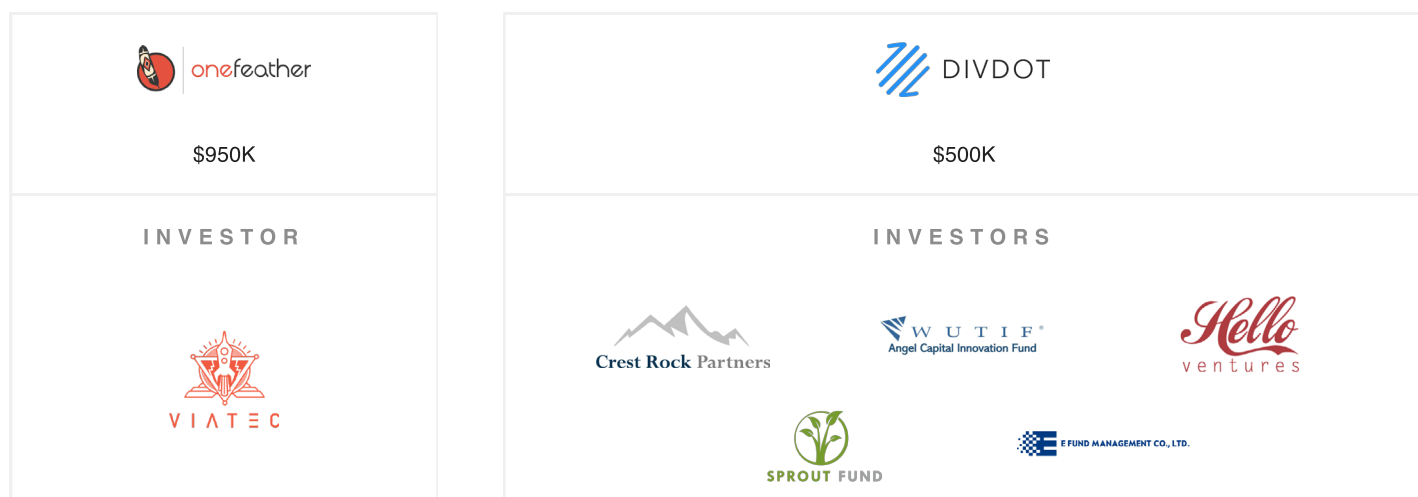
## B2B Technology

Only slightly trailing Life Sciences with \$180M raised across 10 deals. This vertical was also driven by a large deal (\$52M) by Unbounce, but still had a number of other large deals including Foodee (\$13M), Form (\$12M), Thoughexchange (\$10M), and Ziva Dynamics (\$9.8M).



## Spotlight on Victoria

The relatively large amount of deal volume and deal value from Q1 did not continue as a trend in Q2. With identified deals decreasing to 2 with a value of \$1.45M. The largest deal was by OneFeather, a clean tech B2B organization, with \$950K of seed funding secured. DivDot also closed \$500K of VC funding for their B2B payments company. Despite the decrease in deal volume this quarter, Victoria remains a focus area of activity and will be tracked closely in Q3.





Notable in Q2 was a large amount of activity by US based investors -- US based funding was involved in 13 deals, which account for over \$204M of funding. This included the \$144M investment in AbCellera. US based funding was primarily seen in later stage rounds; however, a noteworthy seed deal was also present - Ziva Dynamics' raise of \$9.8M. Ziva is a virtual special effects company, which is part of Vancouver's large film and television production industry.

Top US investors in these deals included DCVC Management Co, Eli Lilly and Company, Deerfield Management Company, and lender Silicon Valley Bank.

From a Canadian based funding perspective, BDC Capital was most active this quarter with 3 deals. Typically active investors Rhino Ventures and Yaletown Partners were also actively investing in Q2.

## Early Stage

BDC Capital

Yaletown Partners Inc

Alberta Enterprise Corporation

E-Fund



Pallasite Ventures Fund IV, LLC

Quark Venture Inc.

Sprout Fund LP

Sustainable Development Technology Canada

## Later Stage

Voyager Capital

TCMI, Inc.

S2G Ventures


Ospraie AG Sciences, LLC

JMI Management, Inc.

Viking Global Investors LP

Vanedge Capital Partners Ltd

University of Minnesota

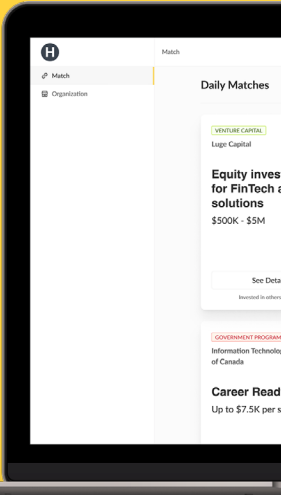



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