



# GTA Tech Report

## Q1 2020

In-depth coverage of the Greater Toronto Area tech ecosystem.

The Greater Toronto Area recorded \$361M in funding in Q1 2020, a 63% decrease from the prior quarter. The 41 technology investments also represented a 41% drop in deal quantity over Q4. Year over year, the drop was more modest from \$480M in Q1 2019 to \$361M in Q1 2020, a 25% reduction.

Q3 and Q4 2019 were both record-setting quarters with multiple \$100M+ deals pushing quarterly investments to the billion dollar mark. Q1 2020 lacked a mega deal and the regular drop in overall deal volume may be a cause for concern if the trend continues through 2020.

# \$361 M

✓ 63%

Total Funding Raised in Q1

# 41

✓ 41%

Funding Rounds

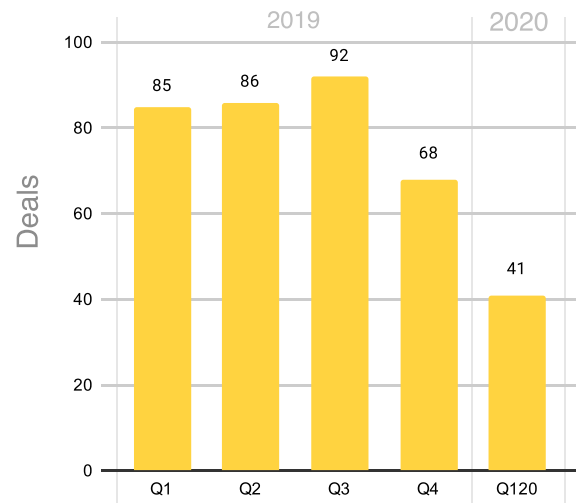
# 65

Investors

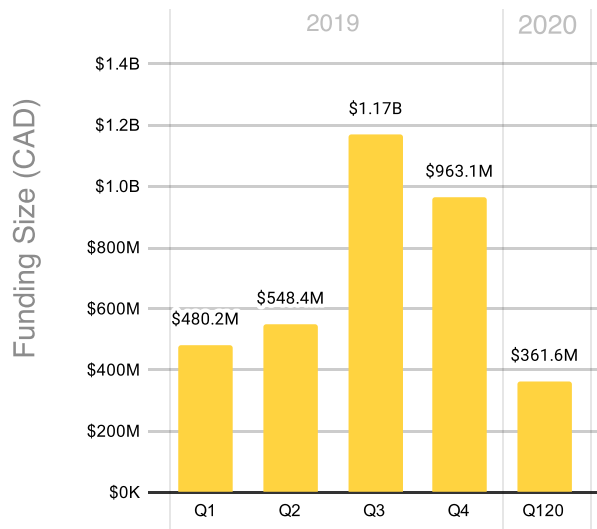
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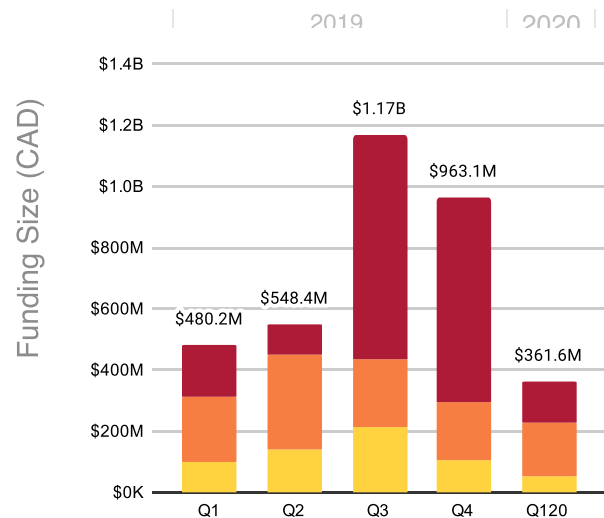
Quarterly Funding Rounds



Quarterly Fundraising

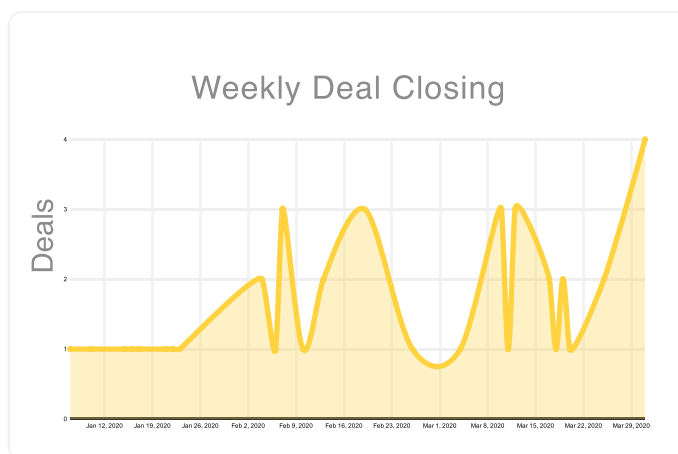


Quarterly Funding by Deal Size



## Impact of COVID-19

As in other regions, any potential impact of the COVID-19 lockdown did not show up in Q1 deal closings. Weekly deal volume remained consistent through the quarter, though Q2 will likely tell a different story.



## Highlighted Funding Rounds

Top Hat's \$72M Series D and Ada Support's \$63M Series B funding rounds led the quarter. While those would be chart-topping deals in most parts of the country, this quarter saw a marked decline in \$100M+ deals in the GTA, which recorded at least one deal valued at over \$100M every quarter in 2019.

### Largest Deals Q1 2020

Top Hat Monocle Corp.  
\$72M

Ada Support Inc  
\$63.7M

Deep Genomics  
\$40M

NorthOne Inc.  
\$29.3M

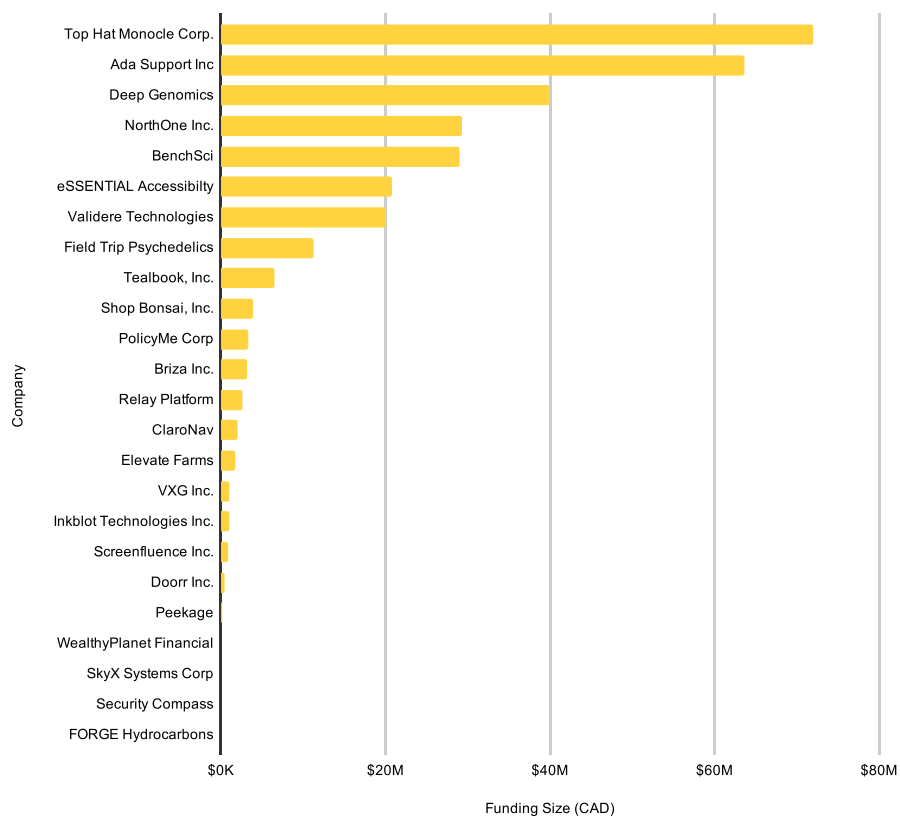
BenchSci  
\$29M

eSSENTIAL Accessibility Inc.  
\$20.9M

Validere Technologies Inc.  
\$20.1M

Field Trip Psychedelics Inc.  
\$11.3M

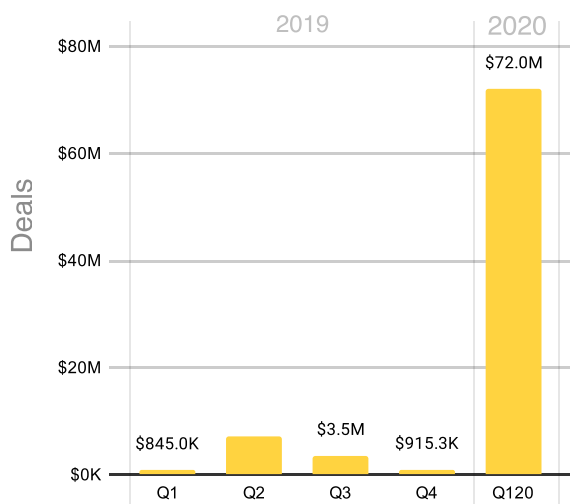
Tealbook, Inc.  
\$6.5M



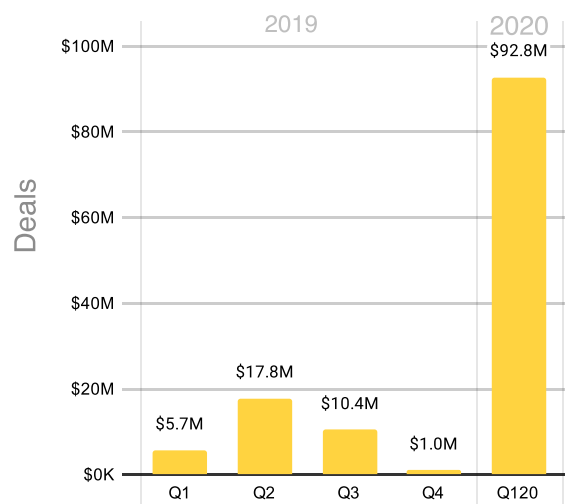
## Top Verticals

Top Hat and Ada Support put the spotlight on EdTech and AI which are not normally the top verticals in the GTA. EdTech deals totalled \$92.8M and AI investments totalled \$72M. Looking at the historical pattern since 2019 shows how much these are anomalies.

### Quarterly EdTech Funding

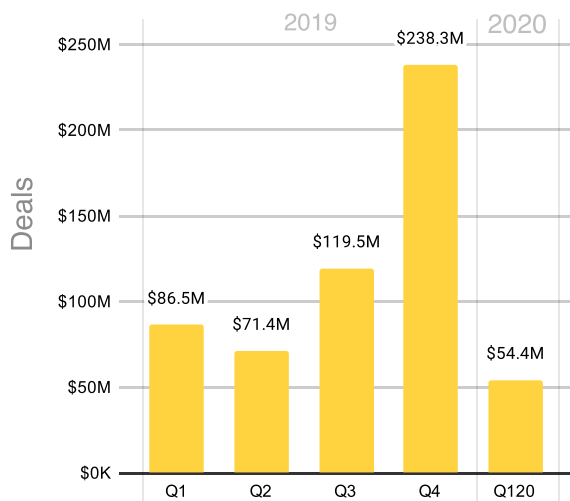


### Quarterly AI/ML Funding

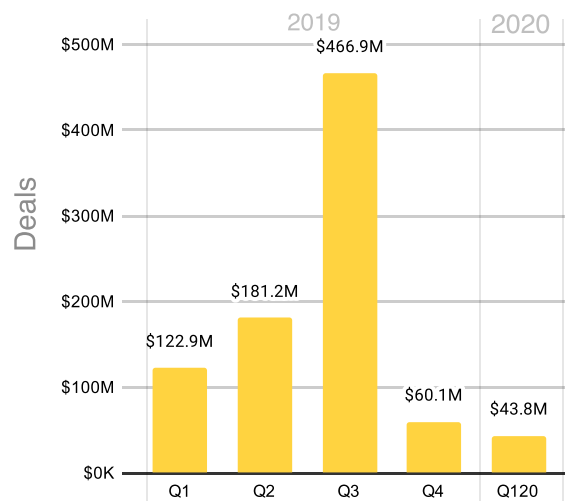


The Life Sciences and FinTech verticals had a relatively quiet quarter at under \$50M each. This was the lowest quarterly amount raised in Life Sciences and FinTech since Q1 2019. Life Sciences investments totalled more than \$250M in a huge Q4 but even without that quarter the typical Life Sciences quarter is closer to \$100M than \$50M. Similarly, even discounting FinTech's unusually large Q3 (over \$450M), Q1 was a much slower quarter than usual.

### Quarterly Life Sciences Funding

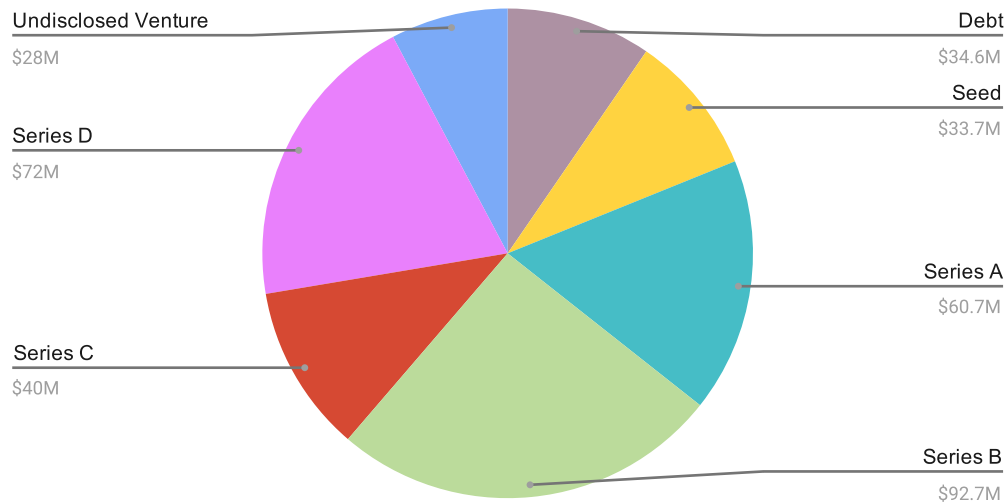


### Quarterly FinTech Funding

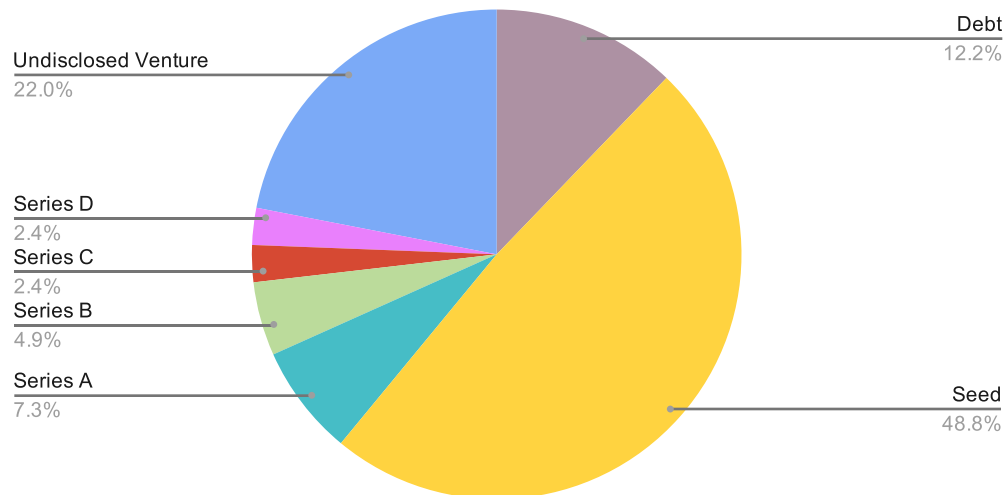


A small number of large late-stage deals account for the majority of funding in Q1 and in fact there were fewer mega deals this quarter than usual. While seed deals accounted for nearly half of all funding rounds this is in the context of an overall decline in deal volume which negatively affects all stages of investment.

Funding by Round Type

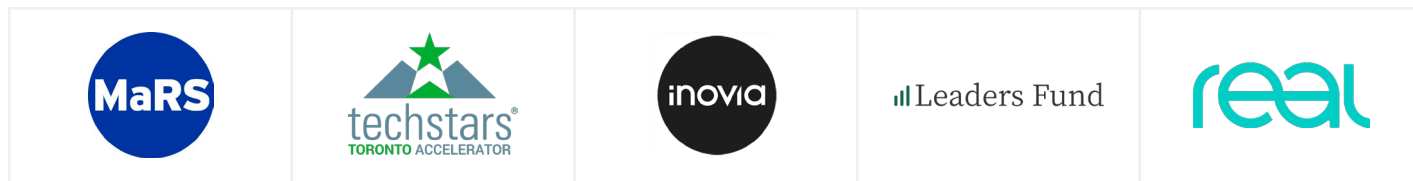


Deal by Round Type



## Top Investors by number of deals

There were a total of 65 investors who participated in deals in Q1. 24 participated in early-stage funding rounds of which MARS IAF and TechStars were the most active. 21 investors participated in later-stage deals of Series B or higher led by multiple closings by iNovia Capital and Leaders Fund.



## Most Active Funders in Q1

### Pre-seed & Seed

- 500 Startups
- Active Impact Investments
- Amplify Capital
- Brightspark Ventures
- BDC
- Emeraude Capital
- Energy Foundry
- Good & Well Inc
- Grand Ventures
- HCS Capital Partners
- Leaders Fund
- Mercanti Management Inc.
- NFP Corp.
- QC Technologies Inc.
- Refinery Ventures
- StandUp Ventures
- Sustainable Chemistry Alliance (SCA)
- Vestra Ventures
- Workday

### Series A

- Alberta Enterprise Corporation
- Bolt Fund III
- Greylock Partners
- Real Ventures
- Redpoint Ventures
- Sallyport Investments
- Silver Spike Capital
- Subversive Capital
- Wing Venture Capital

### Series B+

- Accel
- Amplitude Ventures
- Bessemer Venture Partners
- BMO Bank of Montreal
- Burst Capital
- Emergence Capital Partners
- F-Prime Capital Partners
- FirstMark Capital
- Future Ventures
- Georgian Partners
- Golden Venture Partners
- Gradient Ventures
- Khosla Ventures
- Magnetic Ventures
- Northleaf Capital Partners
- Real Ventures
- True Ventures
- Union Square Ventures
- Version One Ventures

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