



GTA Tech Report

Q2 2020

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

Second quarter investment activity in the Greater Toronto Area was \$213M, the lowest amount of funding tracked in the last 18 months. This is a drop of 41% since last quarter and a 44% decline comparing the first half of 2020 vs the same period in 2019.

The same slowdown has not been seen nationally as the Canadian Venture Capital & Private Equity Association (CVCA) reported over \$1.7B in venture investments in Q2, the highest on record (Hockeystick is the official data partner of the CVCA).

\$213M

▼ 41%

Total Funding Raised in Q1

47

^ 15%

Funding Rounds

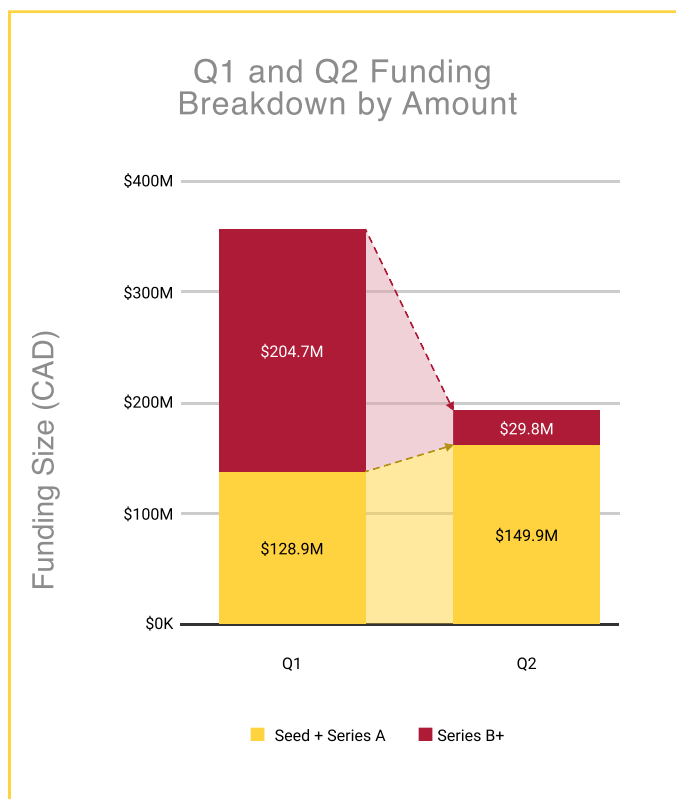
66

Investors

Missing Late Stage Deals

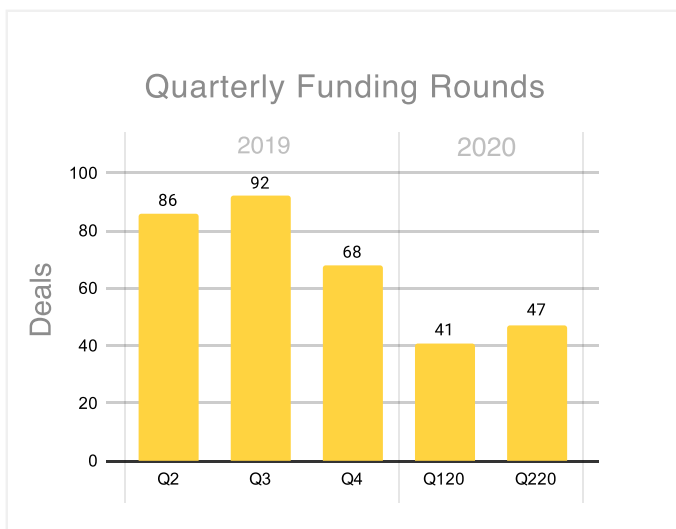
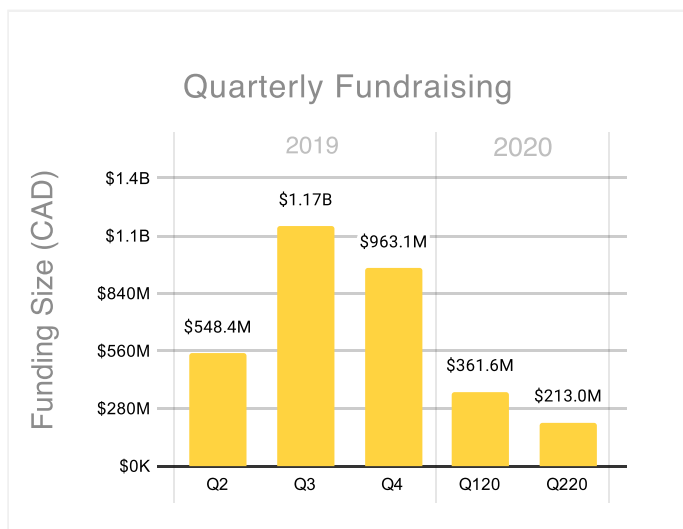
In Q2 2020 there were only 3 deals tracked that were series B or higher. Of those, only Ritual's \$29.8 million series C had a disclosed amount. This continues the trend in 2020 in the GTA of fewer late stage “mega deals” that were the norm in 2019. Across Canada in Q2 there were 11 late stage deals of more than \$50M, none of which were in the GTA.

On the other hand, early stage deals rebounded slightly, with Series A investments increasing almost 75% from \$60.7M in Q1 to \$110.6M in Q2. Based on early data from Q3 next quarter should see a strong uptick in late stage deals with several in the \$40-\$50M range.



While deal volume increased slightly to 47 this quarter, the pace of funding in the GTA has cooled dramatically since 2019's record-setting year. At the same time last year, the GTA had recorded 178 funding rounds totalling more than \$1B. This year, there has been a 50% drop in funding rounds (88) and a 44% drop in funds raised (\$573.2M) at the mid-year mark.

Based on preliminary numbers from Q3 deals Hockeystick is tracking, we believe next quarter will start to reverse the downward trend.



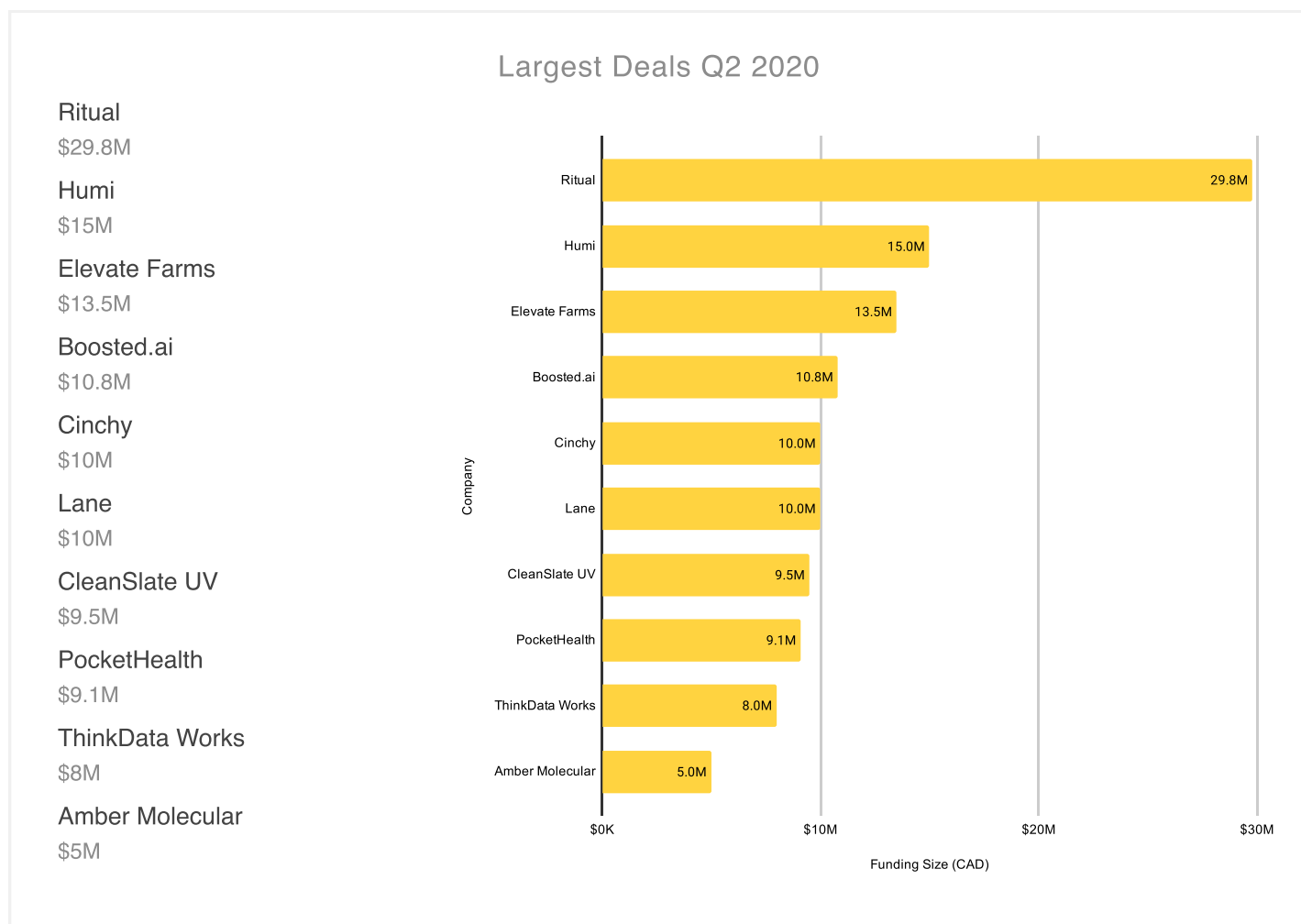
Impact of COVID-19

Deal volume remained steady compared to last quarter. Normally this would not be notable but with the COVID-19 lockdown occurring in mid-March it is at least encouraging that deal volume did not fall dramatically. Considering the upbeat Q2 experienced in VC nationally it's fair to say we have not yet seen a huge impact from the pandemic on Canadian tech.


















Highlighted Funding Rounds

This quarter's highlighted funding rounds further illustrates the drop in the region's later stage funding. Last quarter the top 7 disclosed venture rounds were all larger than \$20M. This quarter only Ritual post-Series C funding exceeded \$20M.









B2B

B2B was the most heavily funded vertical in the GTA in Q2 with \$46 million invested. Top deals included Series A rounds to Humi, Cinchy, and ThinkData Works.

 \$15M	 \$10M	 \$8M
INVESTORS	INVESTORS	INVESTORS
	 	
	 	
		 



HealthTech

Almost \$25M was invested in HealthTech this quarter in 9 separate venture capital deals. The top 3 disclosed deals were CleanSlate UV, for its UV sanitization technology for mobile devices, PocketHealth, which provides a platform for sharing medical images, and Phelix AI, for its AI powered clinical assistant.

 \$9.5M	 \$9.1M	 \$1M
INVESTOR	INVESTOR	INVESTOR
		

Hockeystick tracks the most active investors in the GTA on a rolling 18-month basis based on the number of investments closed. Leaderboards are broken out by Early Stage (Seed, Series A) and Late Stage (Series B and above).

Early Stage

iNovia Capital

Panache Ventures

Real Ventures

Ripple Ventures

Relay Ventures

York Ange Investors

FJ Labs

Good News Ventures

iGan Partners

Luge Capital



Maple Leaf Angels

Radical Ventures

Round 13 Capital

Standup Ventures

Later Stage

White Star Capital

Real Ventures

Portag3 Ventures

Sierra Ventures

Georgian Partners

Caisse de dépôt et placement du Québec

Emergence Capital Partners


First Ascent Ventures

Golden Ventures

Information Venture Partners

Investissement Quebec

Relay Ventures

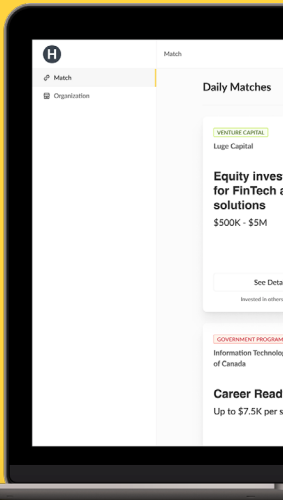



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