

PwC Canada | CB Insights

MoneyTree™ Canada report

H2 and FY 2019



Executive summary

This is the second MoneyTree™ Canada Report which covers year-over-year analysis for half a year (i.e., H2' and FY'19) -- a shift from previous analyses which look at quarter-over-quarter results.

Total funding raised by Canadian companies is up 16% in 2019 compared to last year.

Canadian funding rises to \$4.1B while deal count declines in 2019: Despite a 16% YoY increase in funding, the number of deals to Canadian companies fell 11%. Median deal size rose 13% to \$3.4M in 2019.

Seed- and early-stage investments make up majority of deal share in H2'19: Deal share by stage has remained relatively consistent over the past several quarters, with the bulk of deals going to seed- and early-stage companies.

Artificial intelligence companies see increased investor attention: Investment to Canadian AI companies rose 49% in 2019 and deal count reached a new high at 57 deals.

Canadian fintech companies saw a notable rise in funding and deal activity: Canadian fintech companies raised \$776M in 2019, up 104% from the year prior. Deal count also rose to 59, up 11% YoY.

VC activity in the Canadian digital health space declines slightly in 2019: Canadian digital health companies saw a decline in funding and deal activity in 2019, with dollars invested falling 26% YoY and deal count falling 14%.

The top two deals of 2019 were the largest funding rounds since Q1'18: A \$250M funding round in Q3'19 and a \$228M funding round in Q4'19 drove the increase in dollars invested in 2019.

British Columbia saw record funding in 2019: Driven by larger deals, the region saw a 133% increase in total funding when compared to 2018.

Toronto funding tops \$1.3B for the second year in a row: Toronto sees larger deals taking place as funding increased 1% in 2019 despite a 3% decline in deal activity.

Note: Report includes all rounds to VC-backed companies. For detailed methodology, please see page 60 of this report.

¹ The report excludes Verafin's \$387.9M funding round in Q3'19 as the company has not disclosed the breakout of debt and equity.

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01 Overall trends





In 2019
CANADIAN
companies raised
\$4.1B
(with \$2.5B raised in H2)

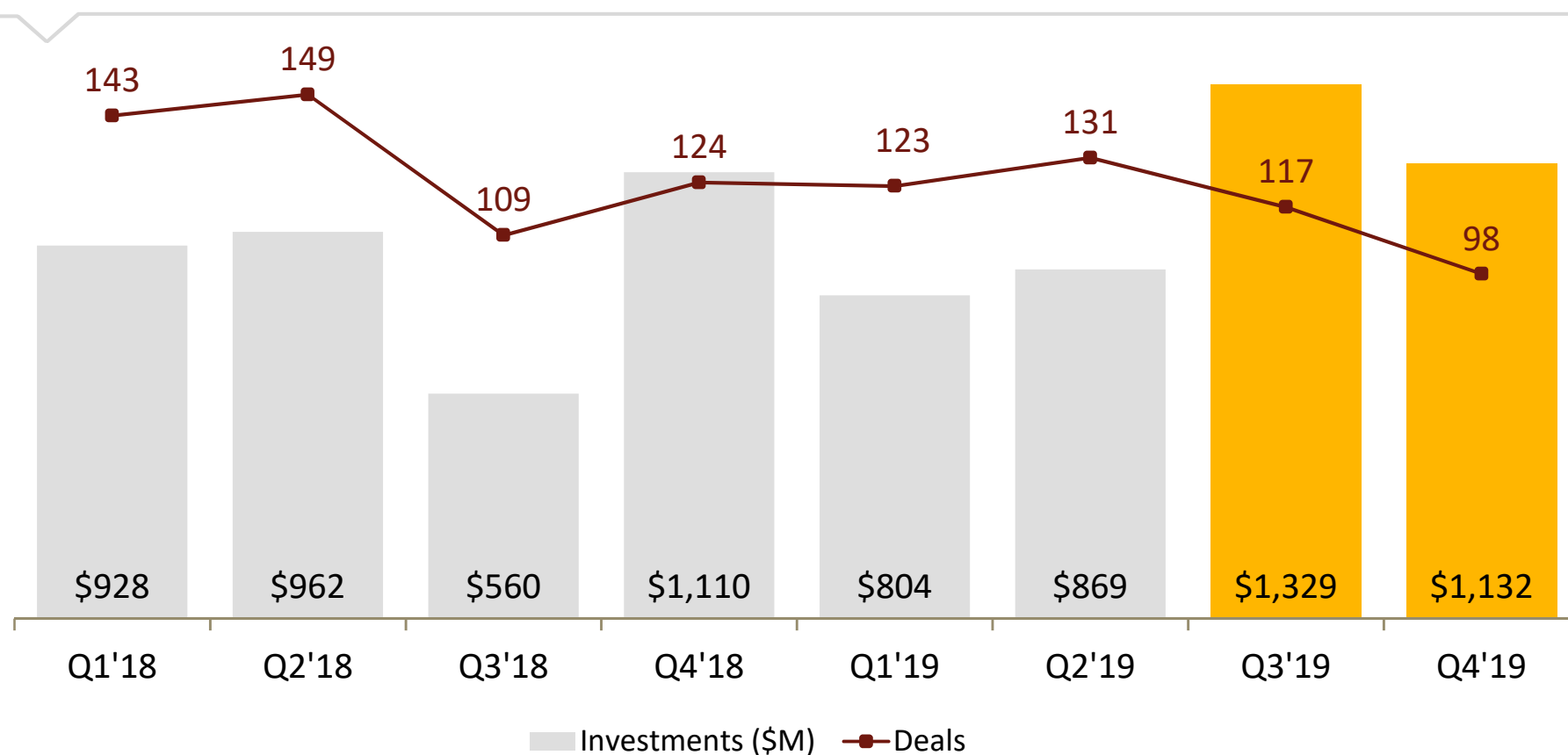
All figures in USD

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Eight-quarter overall financing trend

Canadian VC funding is up while deal count declined in H2'19

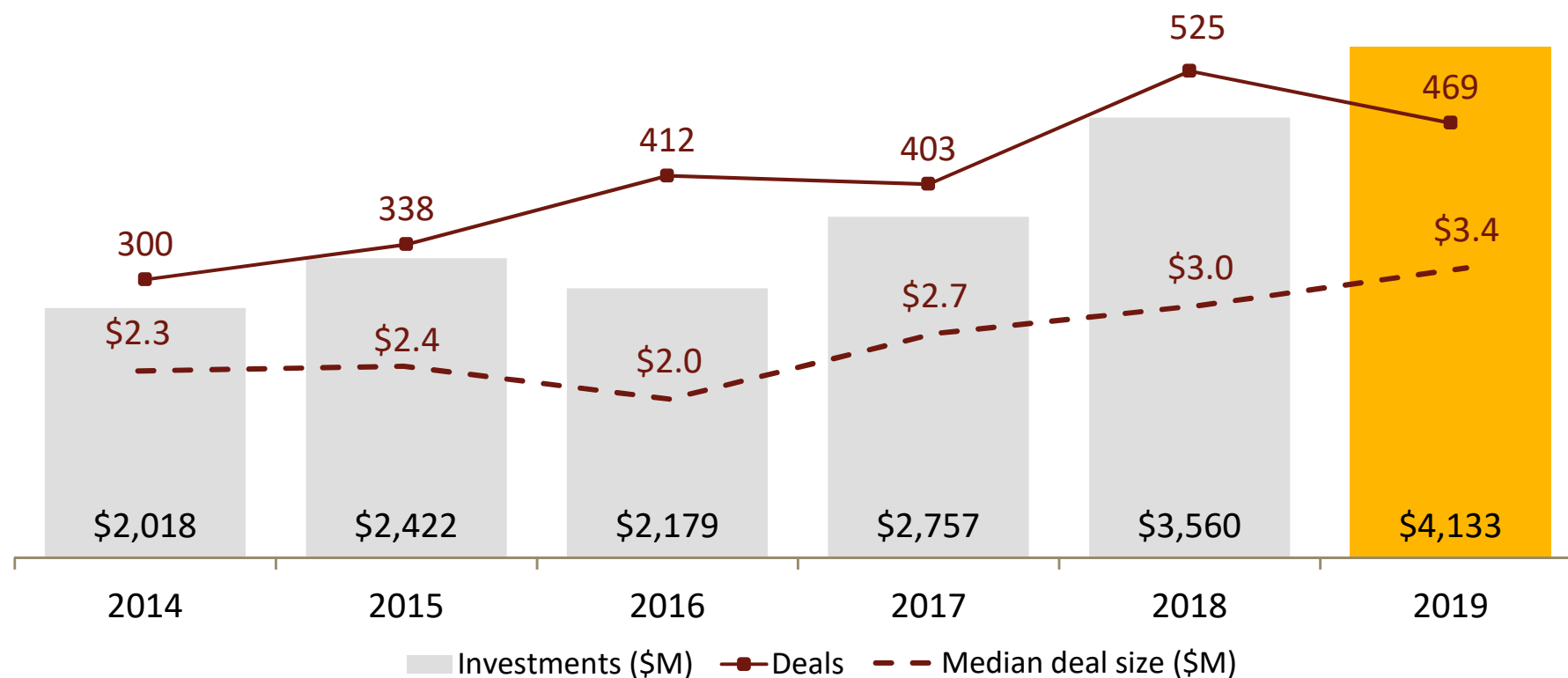
- Funding to Canadian companies rose 47% HoH in H2'19 compared to H2'18, largely driven by two of Canada's biggest deals since Q1'18.
- Deal count declined in H2'19, dropping 8% HoH compared to H2'18.



Annual overall financing trend

Annual Canadian VC funding continues to rise in 2019

- Canadian VC-backed companies raised a record \$4.1B in 2019 driven by larger funding rounds. While funding was up 16% YoY, deals were down 11% in FY2019 vs FY2018.
- Canadian VC funding and median deal size rose for the third consecutive year since 2016.



Note: Median deal size is not plotted to scale.

Annual overall financing trend

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Canadian venture-backed companies saw another robust year of record funding, driven by a strong second-half to close off the year. While total deal count did decline, median-deal size has risen by 13%, indicating a healthy and scaling ecosystem. Canada has stood out amongst its global peers as investors continue to recognize the value of Canadian innovation.

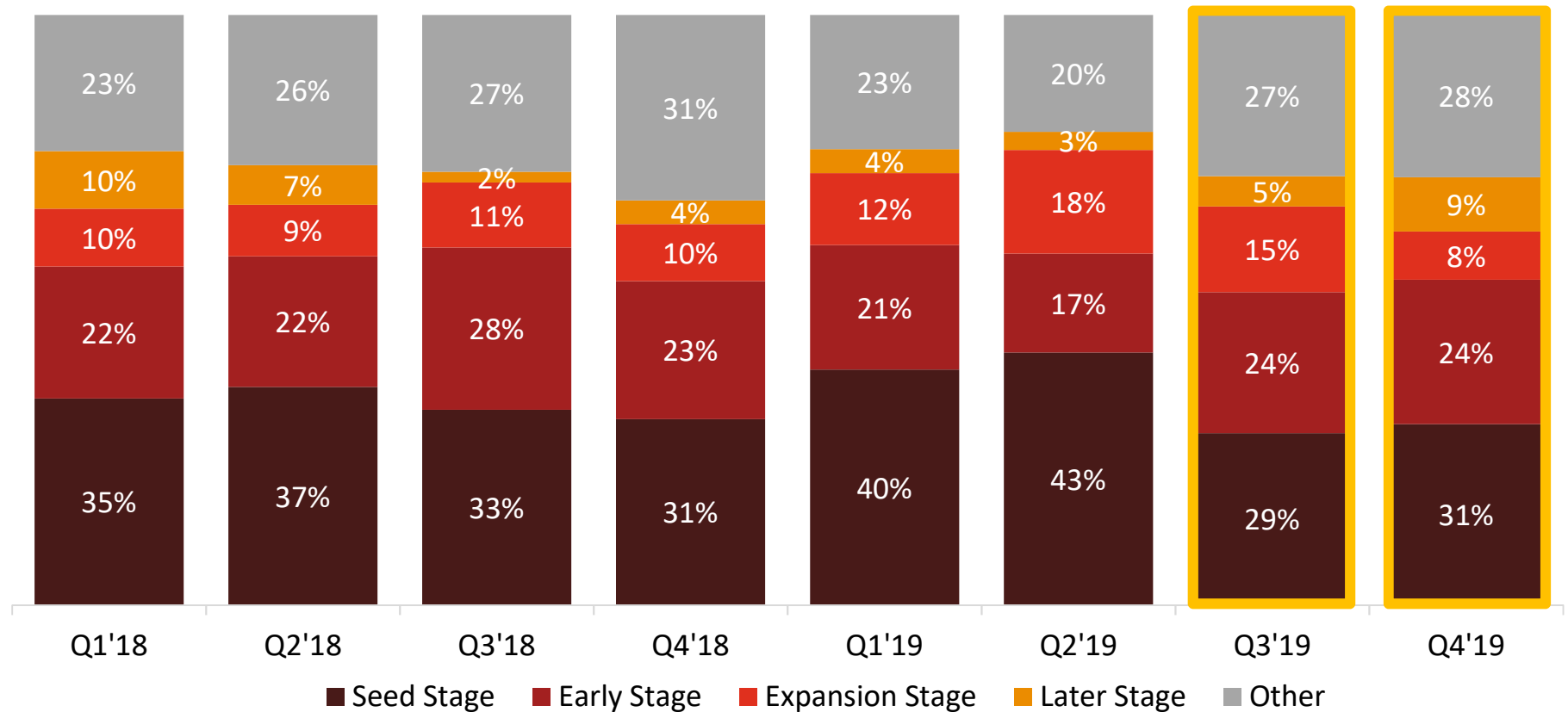
Sabrina Fitzgerald, *National Technology Sector Leader,
Capital Region Managing Partner
PwC Canada*

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Deal share by stage

Seed- and early-stage rounds continue to make up majority of investments in H2'19

- While seed-stage deals captured a higher proportion of deal share in H1'19, deal share by stage returned to historical levels in H2'19.
- H2'19 had a higher proportion of later-stage deals compared to H1'19 and H2'18.



Deal share by stage

“

Increased competition for funding from global investors has created a healthy funding environment for Canadian start-ups, with deal sizes and valuations trending higher. While this is very positive, founders need to consider the long-term impact of lofty valuations on future funding rounds and exit opportunities.

Shivalika Handa, *Corporate Finance Director*
PwC Canada

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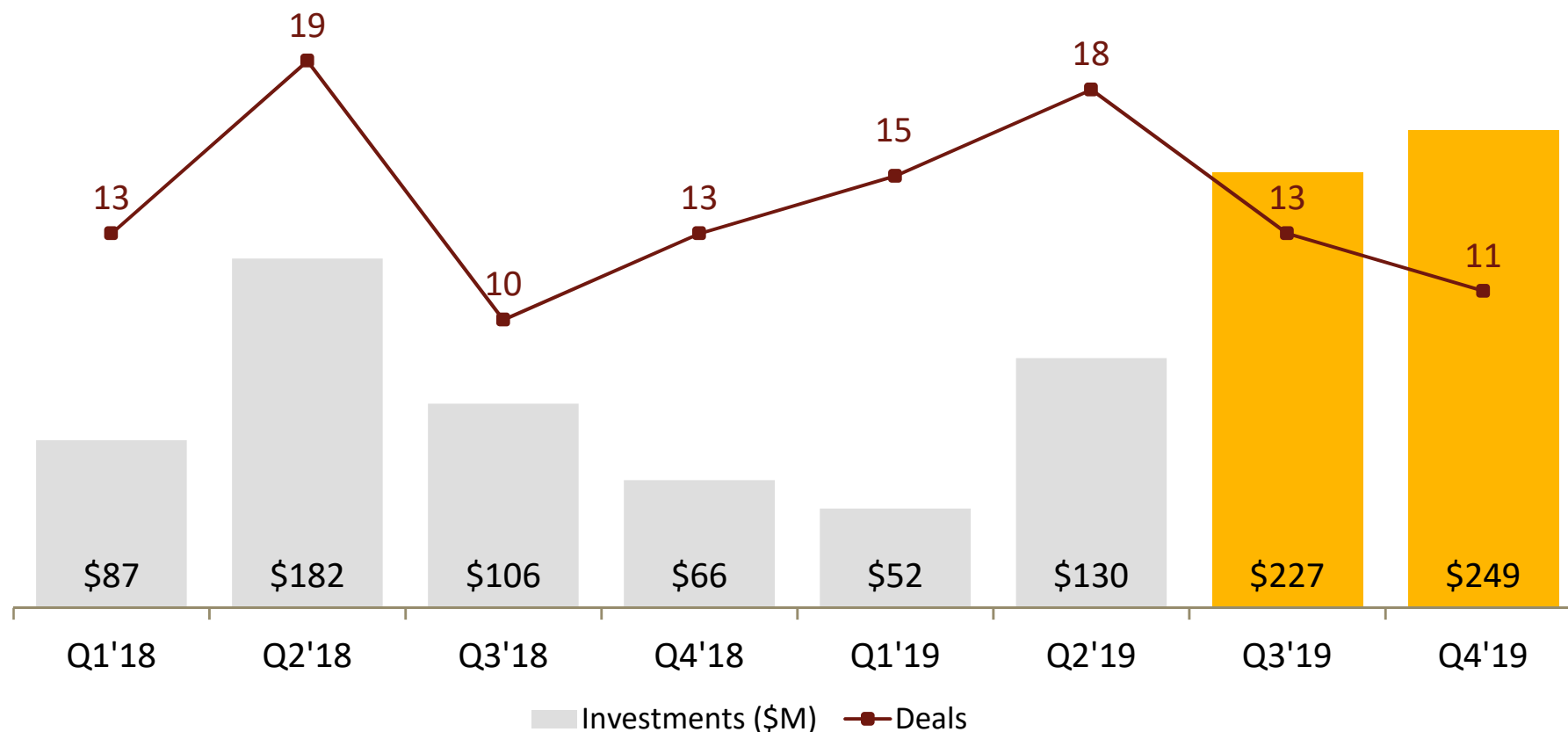
02 Thematic areas



Thematic area spotlight: Artificial Intelligence (quarterly)

AI funding picks up in H2'19 after H1'19, though deals tick downward

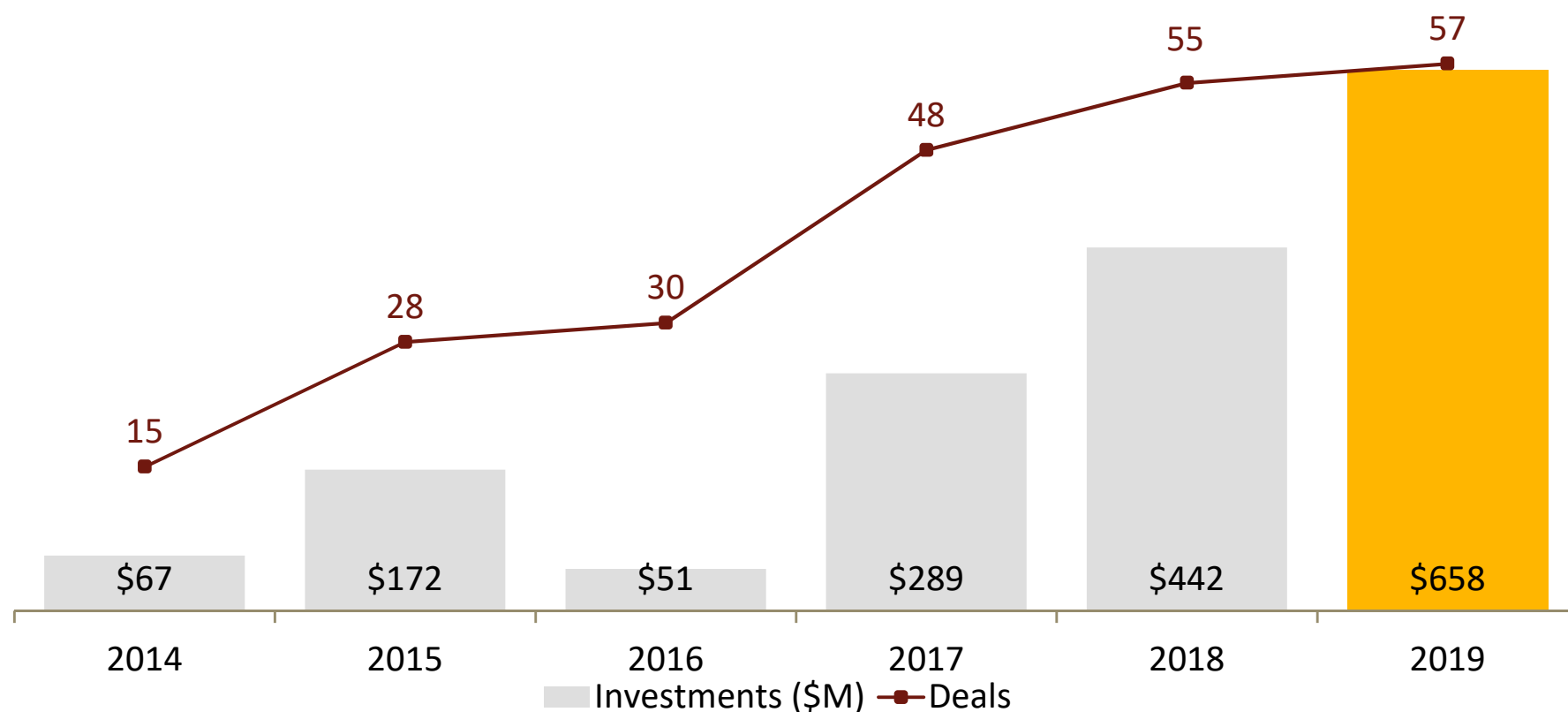
- Investment in Canadian AI companies more than doubled in H2'19, increasing 176% HoH compared to H2'18.
- The increase in dollars invested was accompanied by a slight decline in deal count, reflecting the rise of larger deals in the AI space.



Thematic area spotlight: Artificial Intelligence (annual)

VC activity to Canadian AI companies reaches new peak in 2019

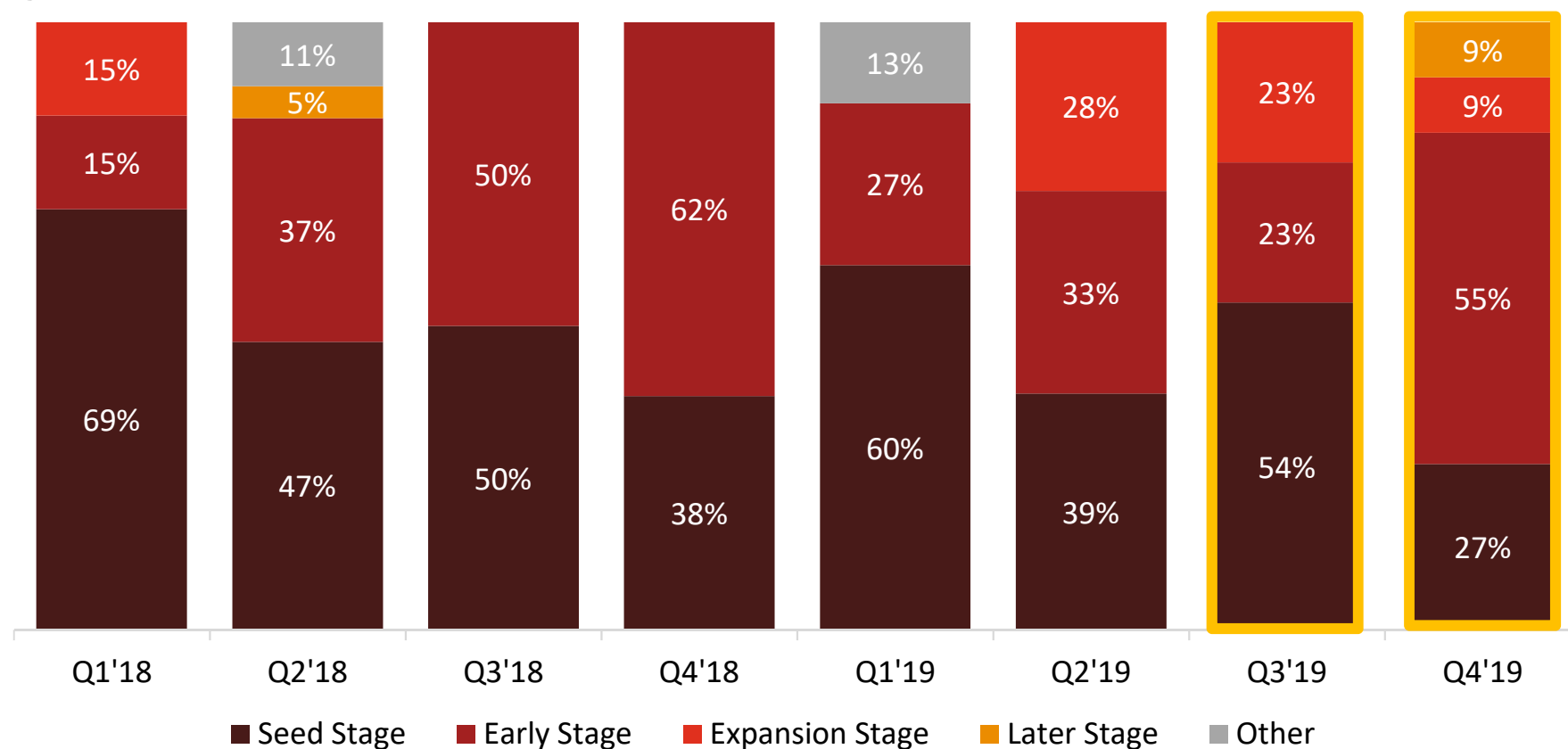
- Funding to Canadian AI companies increased 49% YoY in 2019 to \$658M across 57 deals driven by larger deal sizes.
- Deal activity also rose steadily in the space, with a record high of 57 deals seen in 2019.



Thematic area spotlight: Artificial Intelligence (deal stage)

The Canadian AI ecosystem sees a gradual shift to more mature deals in 2019

- Deal share by stage to Canadian AI startups suggests the ecosystem is maturing, as a number of companies have progressed from seed- to early- to expansion-stage over the past few years.



Thematic area spotlight: Artificial Intelligence

“

Canadian AI startups continue to flourish, particularly those based in Toronto and Montreal, two regions that have invested heavily in the sector and make up the majority of AI funding in 2019. The eight-quarter trend in AI funding in Canada is reflective of the sector's overall lifecycle. As use cases and adoption rates for automation and AI grow, we are able to witness these start-ups mature through the funding stages.

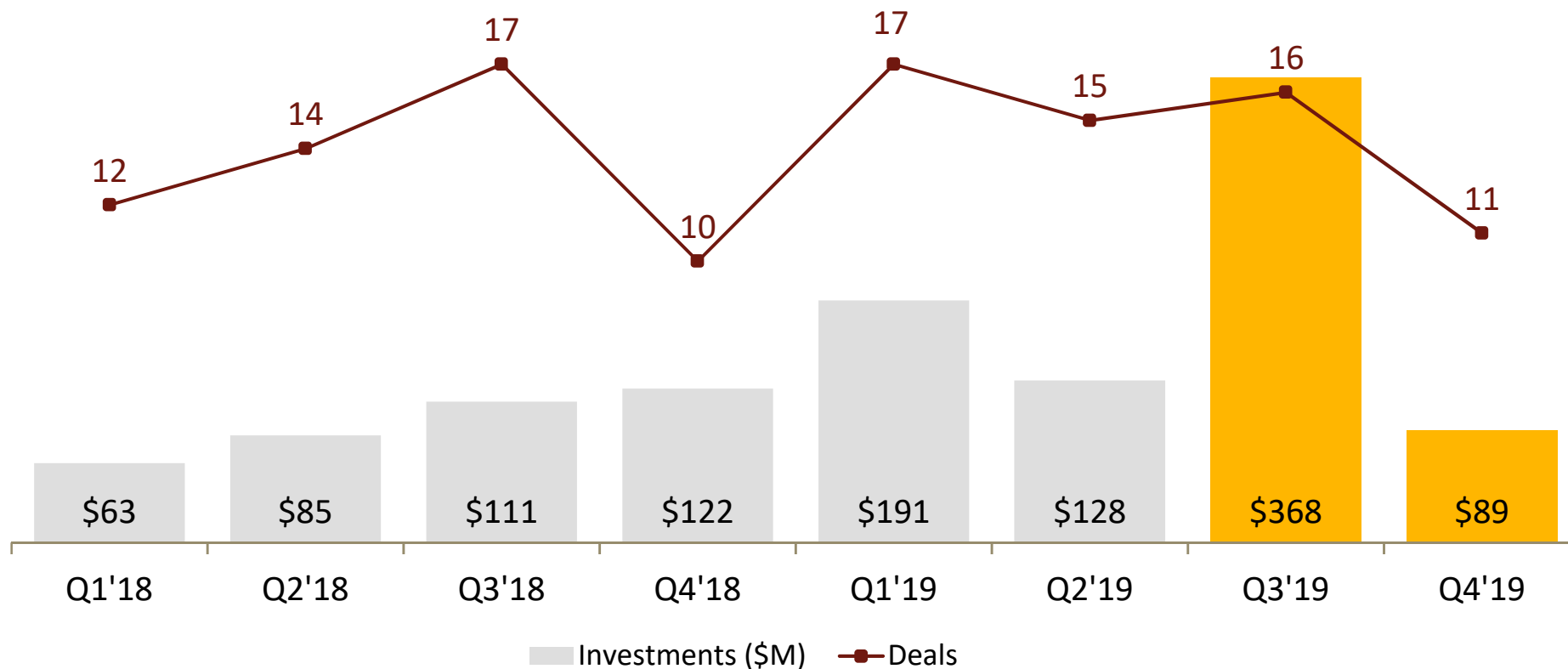
***Chris Dulny, Chief Innovation Officer
PwC Canada***

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Thematic area spotlight: Fintech (quarterly)

Canadian fintech funding reaches new high in H2'19 driven by mega-rounds

- Canadian fintech companies raised a record \$457M in funding in H2'19, up 96% HoH compared to H2'18.
- Deal activity was flat for the second half of 2019 relative to H2'18.

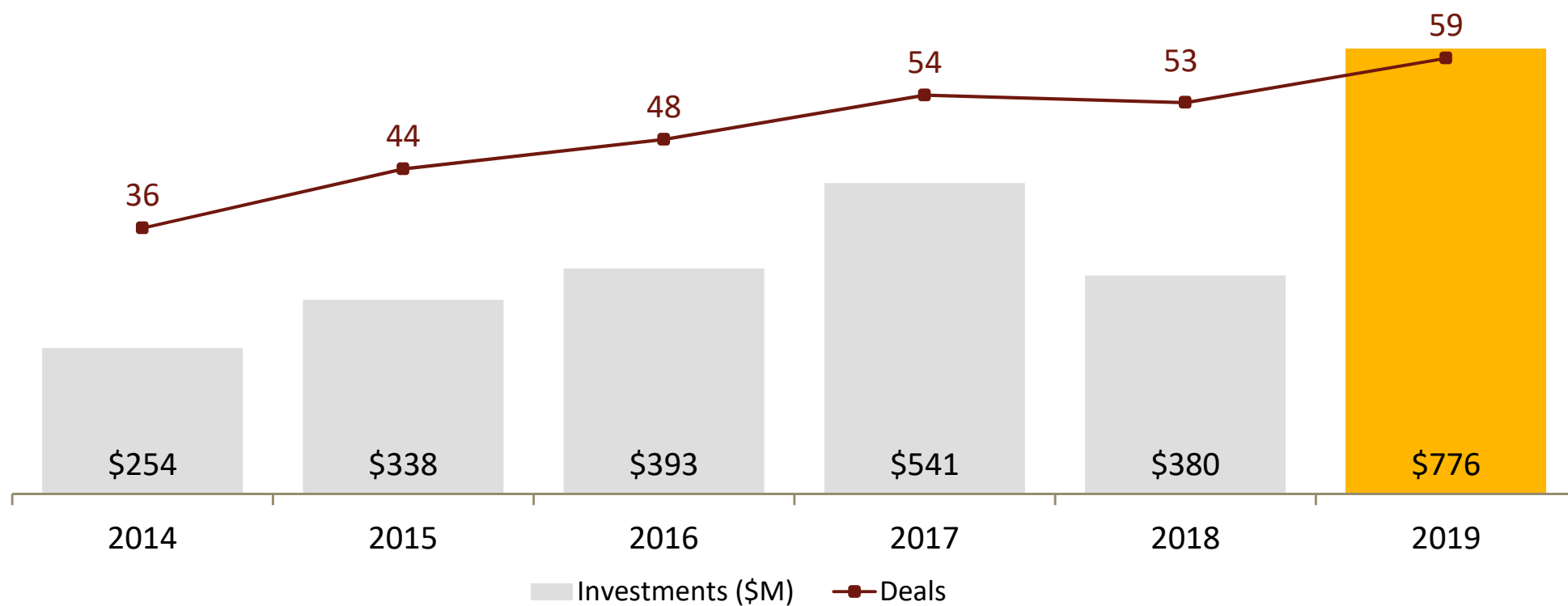


The report excludes Verafin's \$387.9M funding round in Q3'19 as the company has not disclosed the breakout of debt and equity.

Thematic area spotlight: Fintech (annual)

Fintech funding and deal activity reach new high in 2019

- Funding to Canadian fintech companies more than doubled in 2019 to \$776M, up 104% from 2018.
- Deal activity grew 11% YoY and reached a new high at 59 deals.



The report excludes Verafin's \$387.9M funding round in Q3'19 as the company has not disclosed the breakout of debt and equity.

Thematic area spotlight: Fintech

“

While seed and early stage deals made up nearly 50% of the deal activity in H2 2019, like we noted in H1 2019, the story continues to be the larger rounds in the later and expansion stages, with almost \$400M invested across nine deals. As we observed in our fintech market map, there's a strong link between well-funded fintech companies and strategic channels/partnerships with the larger banks.

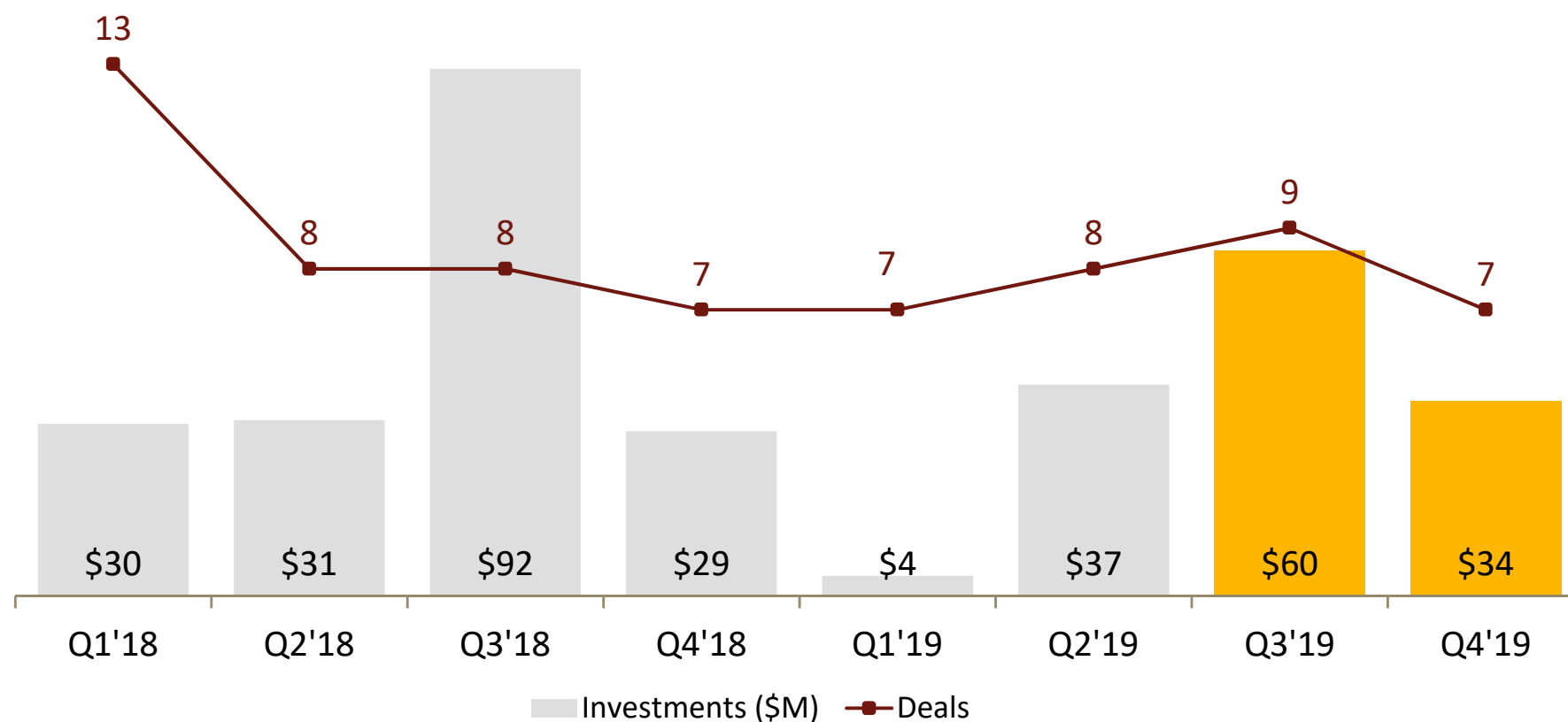
***Eugene Bomba, Partner, National Technology Sector
PwC Canada***

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Thematic area spotlight: Digital Health (quarterly)

VC activity in the Canadian digital health space holds steady in H2'19

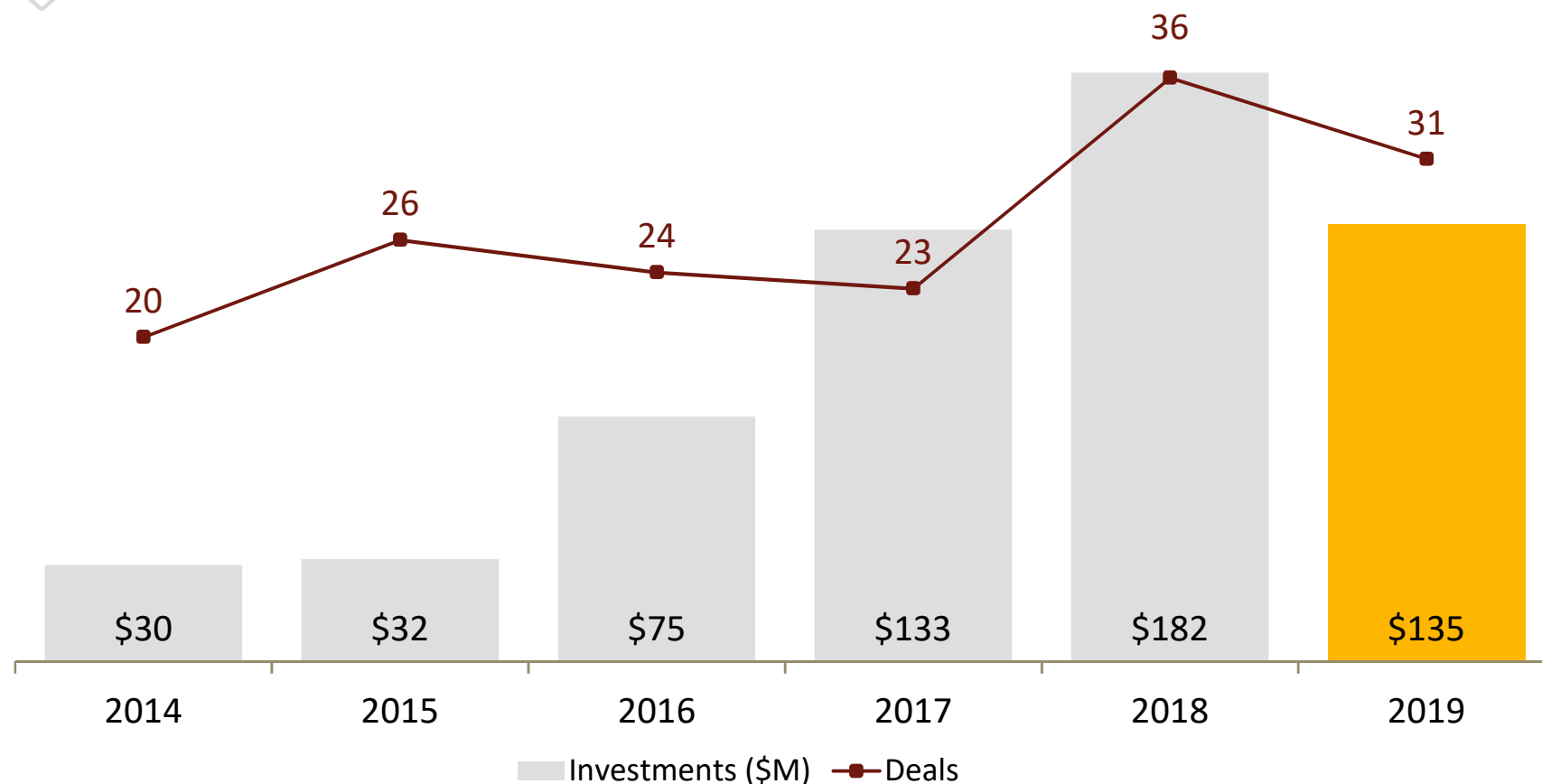
- Dollars invested in Canadian digital health startups fell 22% HoH compared to H2'18, though deal activity held relatively steady, increasing 7% from H2'18.



Thematic area spotlight: Digital Health (annual)

VC activity in the Canadian digital health space declines slightly in 2019

- Digital health companies saw a slight downtick in funding and deal activity in 2019, with total funding falling 26% YoY and deal count down 14%.



Thematic area spotlight: Digital Health

“

Digital Health was slightly down from the all-time high in 2018. The complexity of payer models and procurement cycles in digital health continues to be a challenge to growth and adoption in Canada. The fact that Health & Wellness made up over 50% of H2 2019 deals reflects that complexity and capital is going towards a simpler growth strategy.

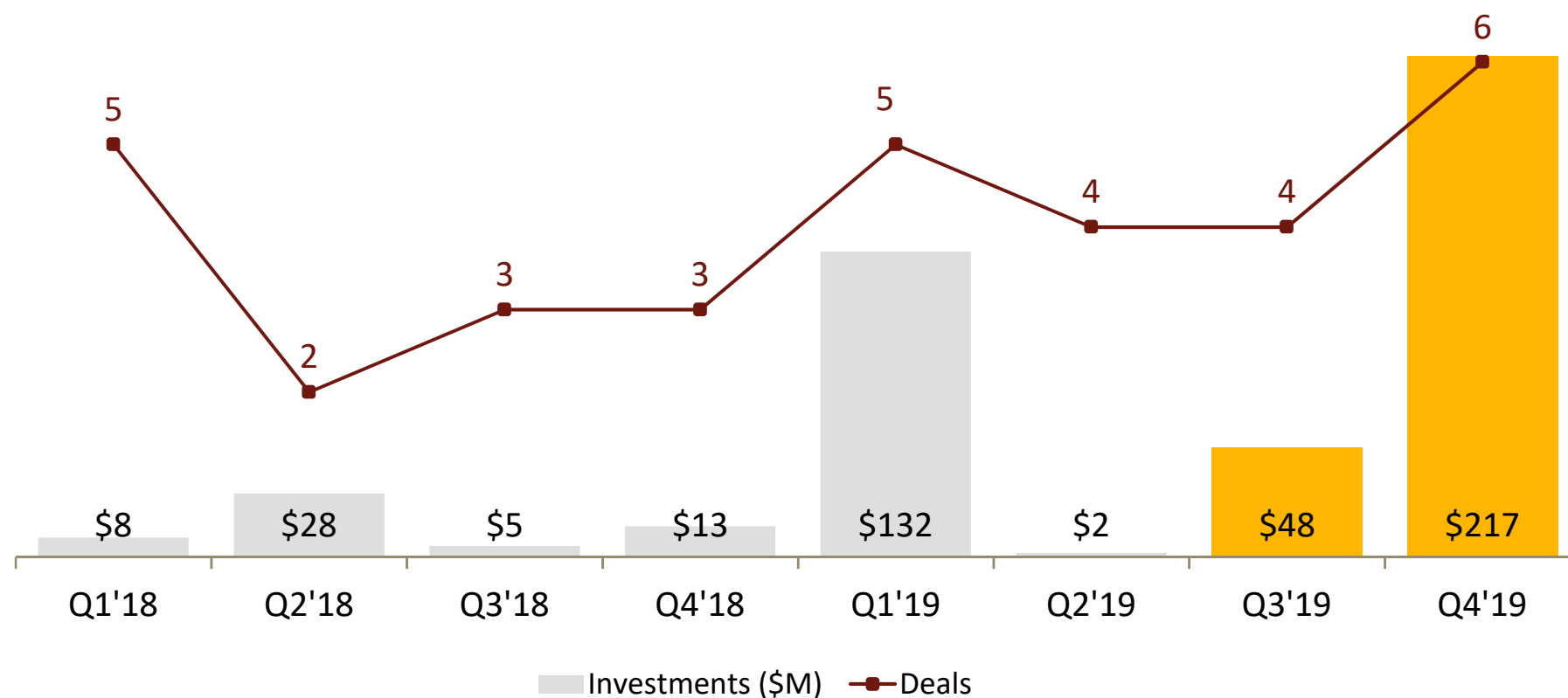
Cameron Burke, *Managing Director, Technology Sector*
PwC Canada

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Thematic area spotlight: Cybersecurity (quarterly)

Funding in the Canadian cybersecurity space picked up notably in H2'19

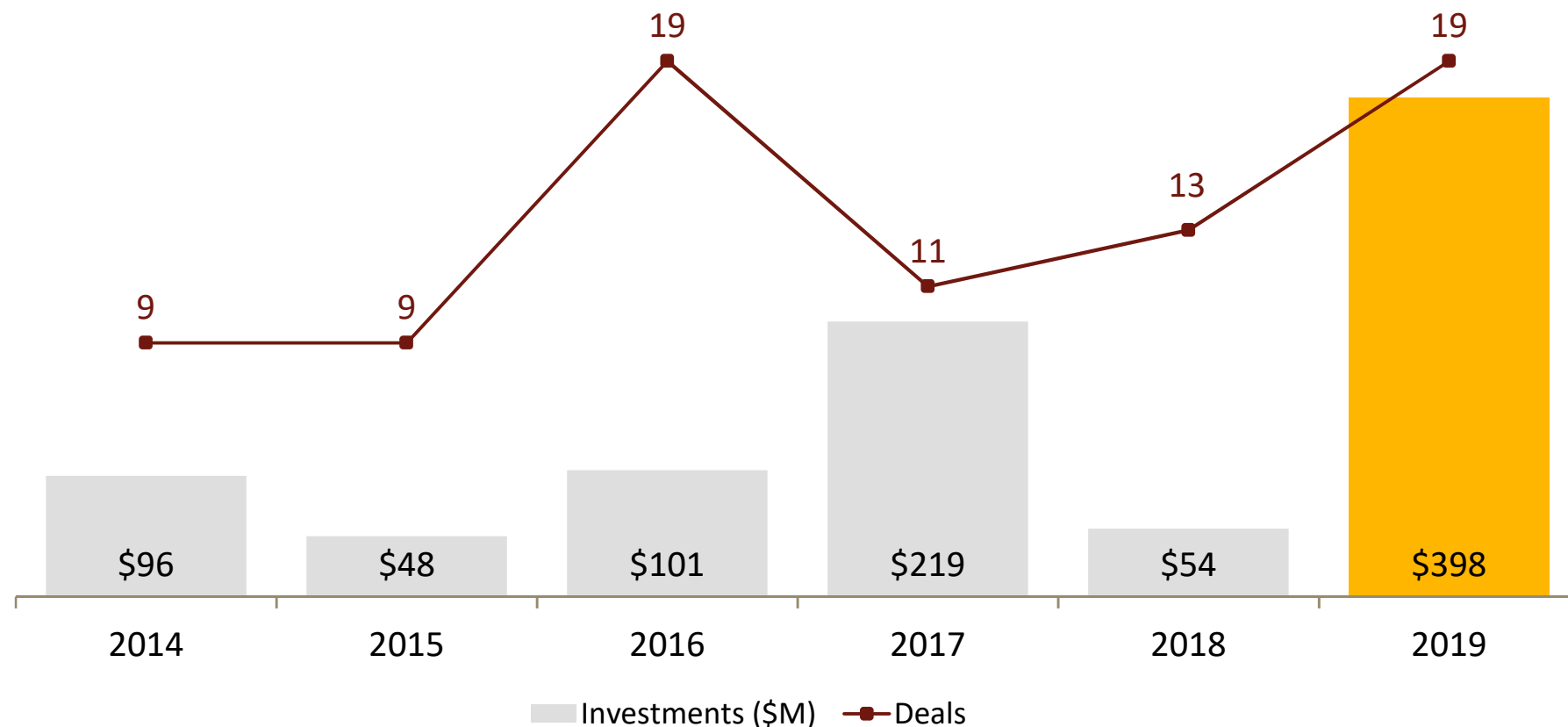
- Total funding in H2'19 increased significantly HoH, driven primarily by a large megaround.
- Deal count also rose to 10 in H2'19, up from 6 in the second half of 2018, an increase of 67%.



Thematic area spotlight: Cybersecurity (annual)

Activity in the Canadian cybersecurity space picked up in 2019

- Funding to Canadian cybersecurity startups reached a new high in 2019, with \$398M invested across 19 deals.
- Accompanying the jump in funding, deal count also rose in 2019, climbing to 19 from 13 the year prior.



Thematic area spotlight: Cybersecurity

“

Consistent with global trends, 2019 was a record year for cybersecurity funding in Canada alongside rising deal activity. From the protection of personal identity to critical company assets, funding to cybersecurity continues to rise as organizations and executives grasp the importance of preventative and detective measures in order to avoid a major crisis and build digital trust.

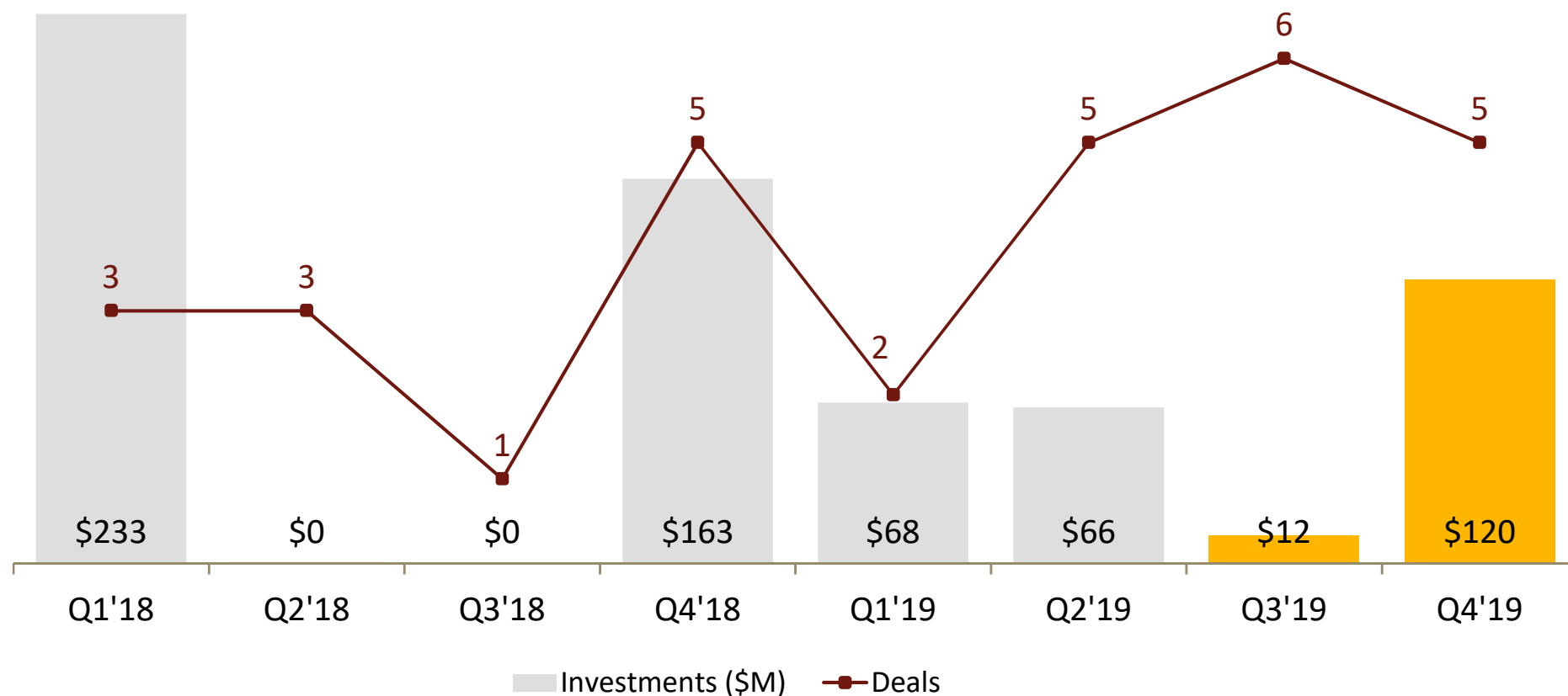
***Sajith Nair, Partner, Cybersecurity & Privacy
PwC Canada***

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Thematic area spotlight: Clean Energy Tech (quarterly)

VC activity in the Canadian clean energy space picks up slightly in H2'19

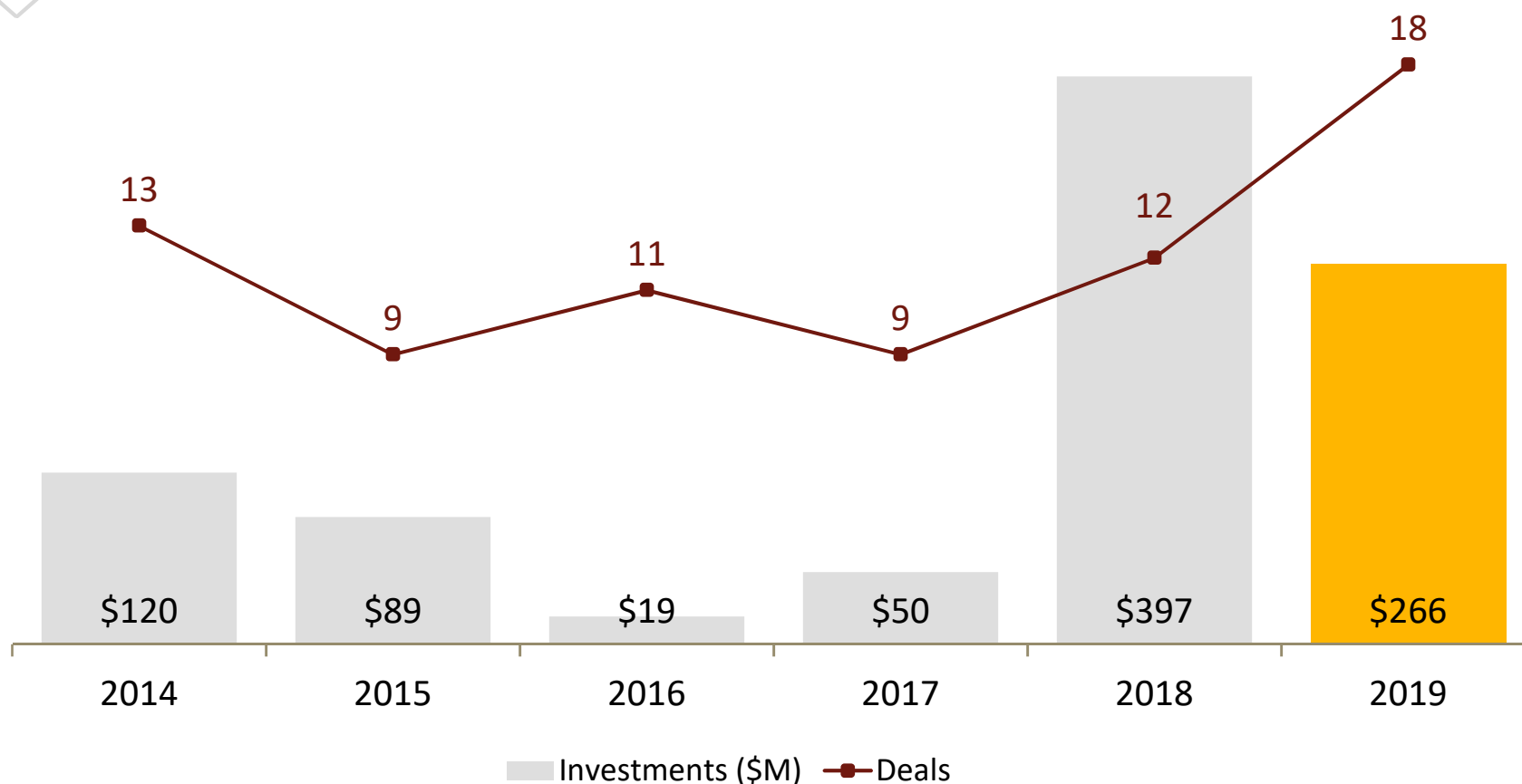
- Funding to Canadian clean energy tech companies remained relatively consistent in H2'19.
- Deal activity ticked upward to 11 deals, up from 6 in H2'18.



Thematic area spotlight: Clean Energy Tech (annual)

Canadian clean energy tech companies saw an uptick in deal activity in 2019

- Though funding fell 33% in comparison to 2018, the number of deals to Canadian clean energy companies rose 50%, reflecting increased investor interest in the clean energy space.



Thematic area spotlight: Clean Energy Tech

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Over the recent years, the data shows a notable uptick in the number of CleanTech deals. As our society seeks to achieve more sustainable and efficient ways to obtain energy and operate, CleanTech is poised to grow alongside this demand. The climate crisis is a global issue and we'll see more companies shift their mandate and investments to combat this issue and aim for carbon neutrality.

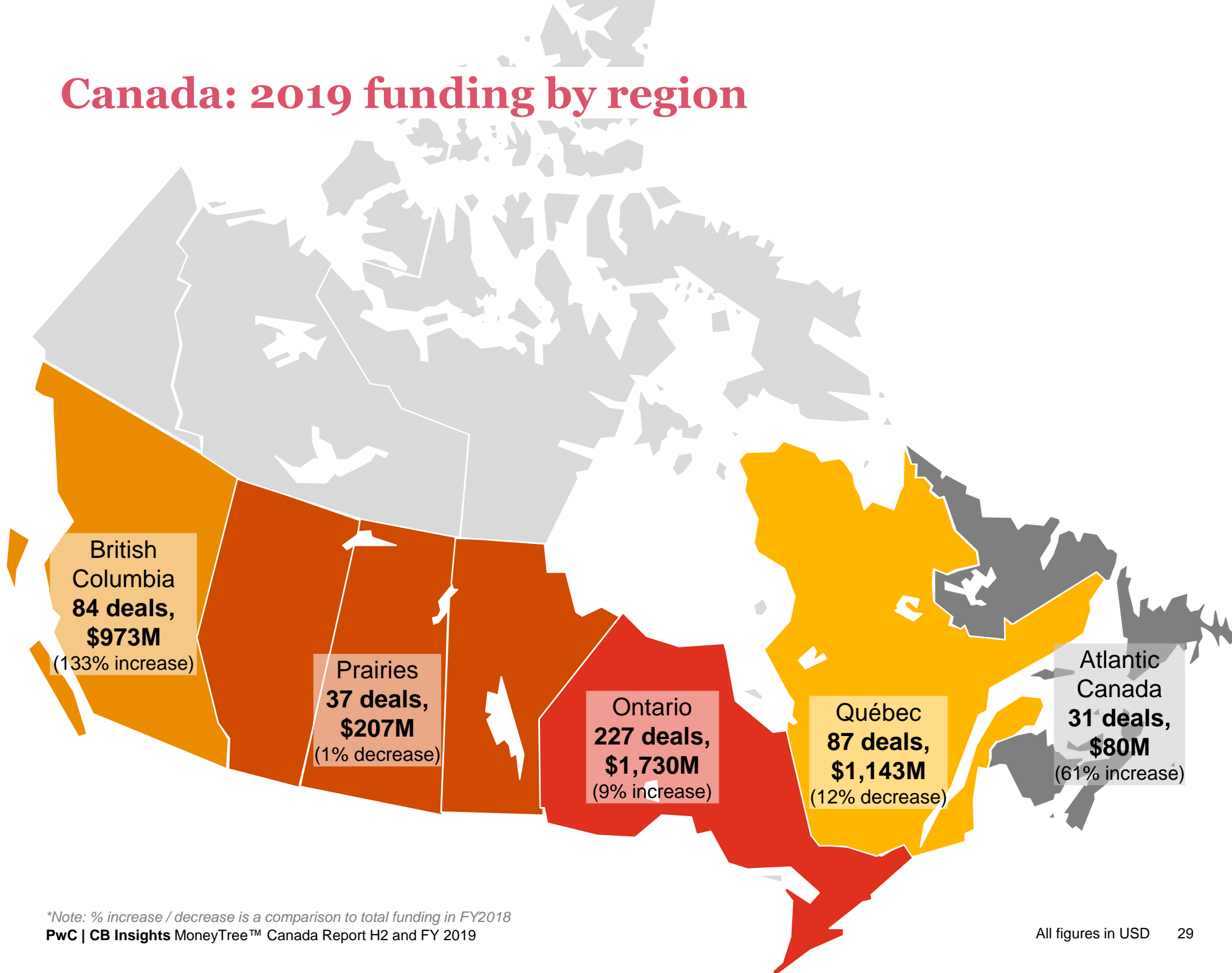
***Greg Oberti, Partner, National CleanTech Advisory Leader
PwC Canada***

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03 Places



Canada: 2019 funding by region



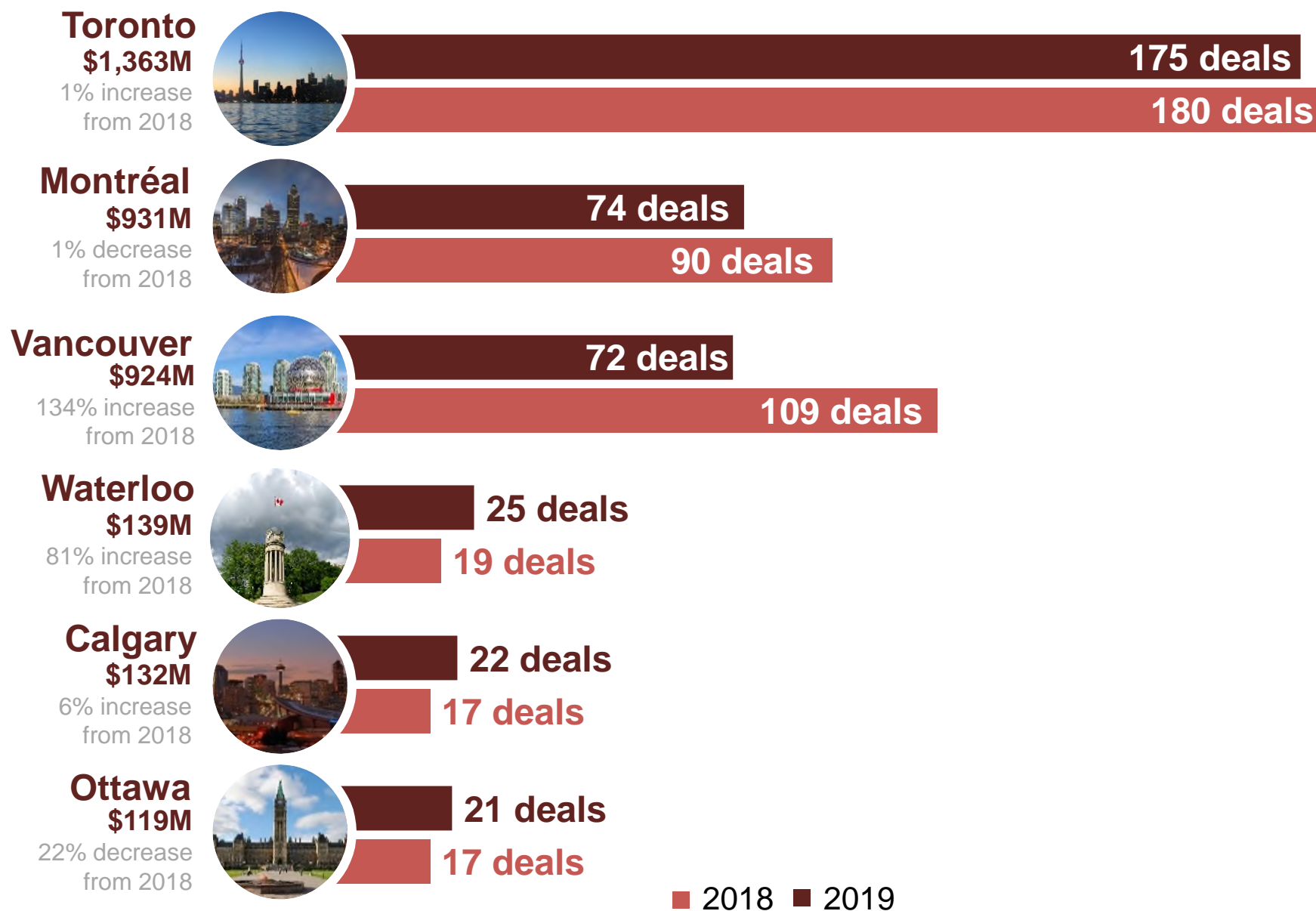
**Note: % increase / decrease is a comparison to total funding in FY2018*

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All figures in USD

29

Top markets of 2019 vs 2018 by deals

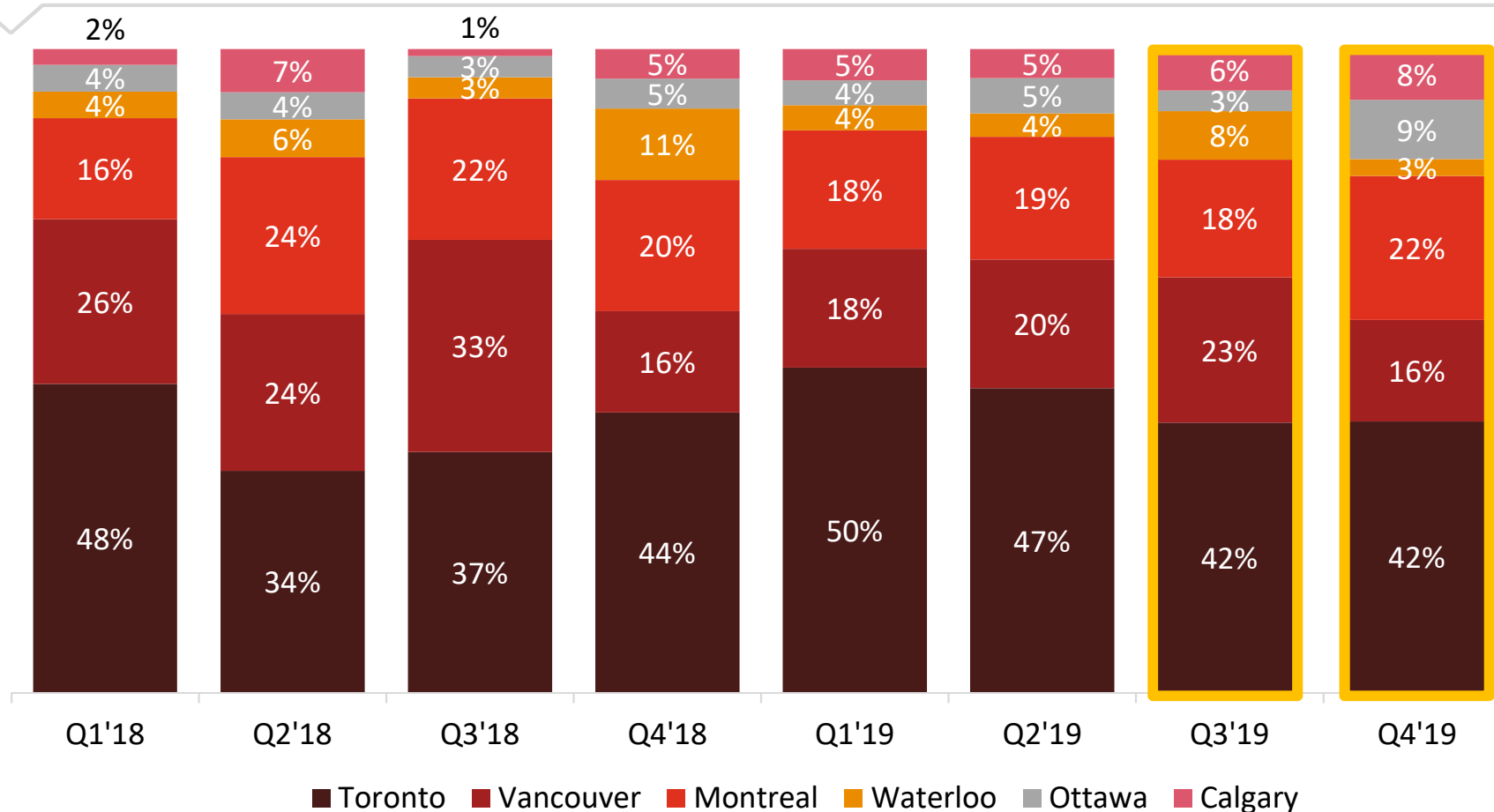


**Note: % increase / decrease is a comparison to total funding of each major market in FY2018*

Deal share by Canadian market

Toronto-based companies saw a downtick in deal share in H2'19

- Companies based in Toronto continued to receive the most deals relative to other Canadian markets, though deals to the region saw a slight downtick in H2'19, returning to levels seen in H2'18.

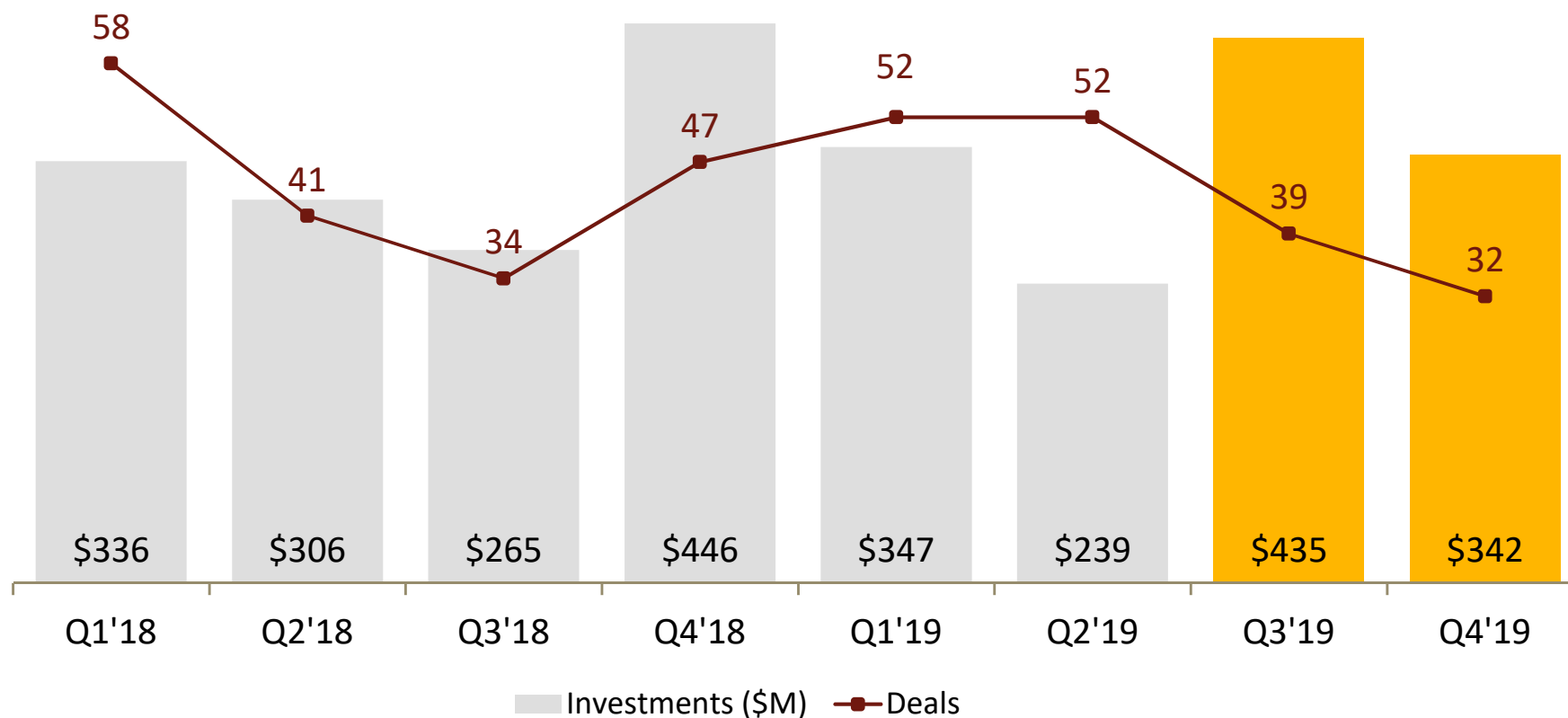


Eight-quarter financing trend

Toronto

Toronto sees larger deal sizes in H2'19

- Funding from Toronto-based companies increased 9% HoH to \$777M in H2'19 compared to H2'18.
- Deal activity declined 12% over the same time period, suggesting larger funding rounds in the back half of the year.

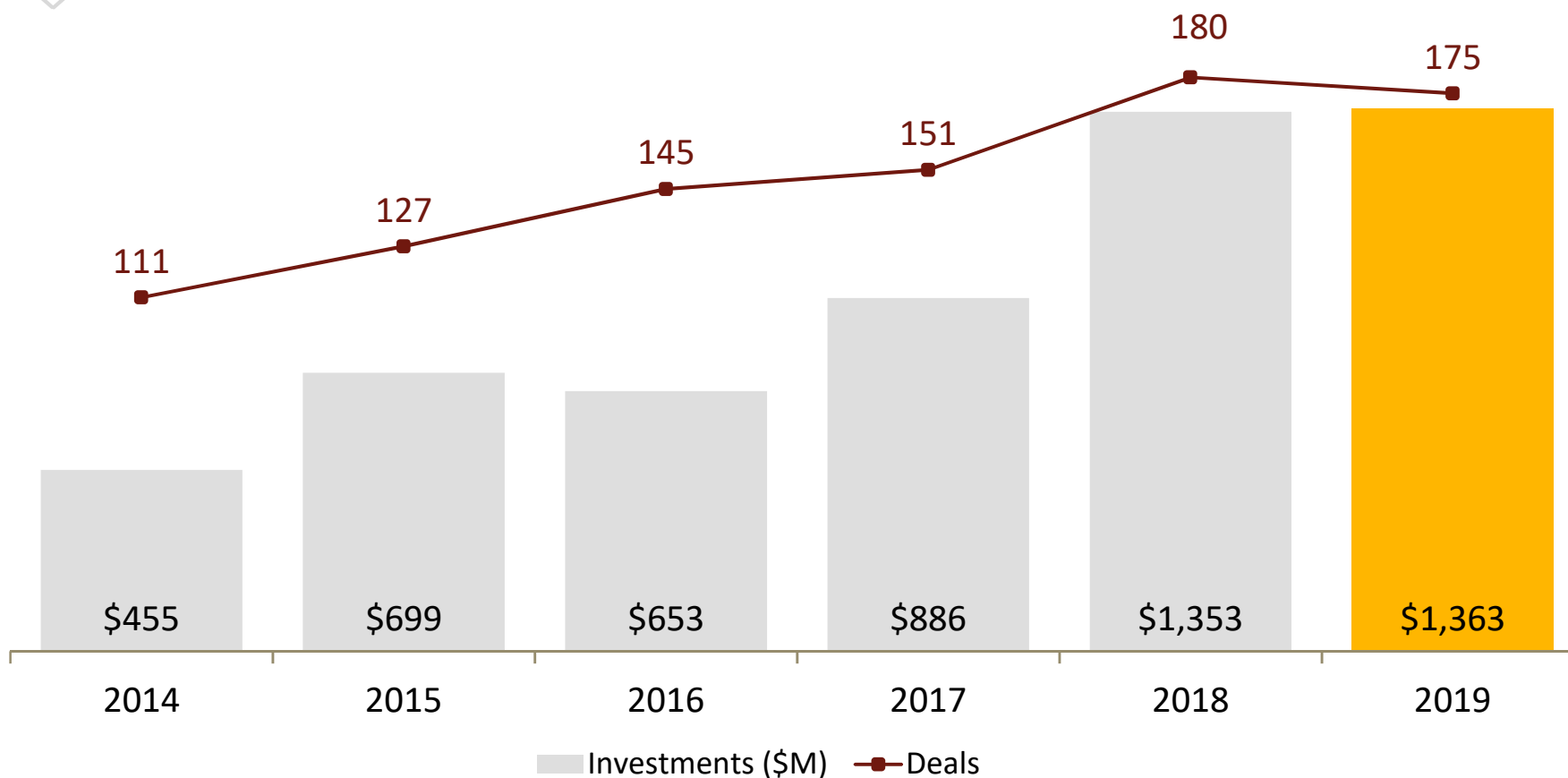


Annual financing trend

Toronto

Toronto funding tops \$1.3B for the second year in a row

- 2019 funding to Toronto-based startups was fueled by larger deal sizes, particularly in H2'19.

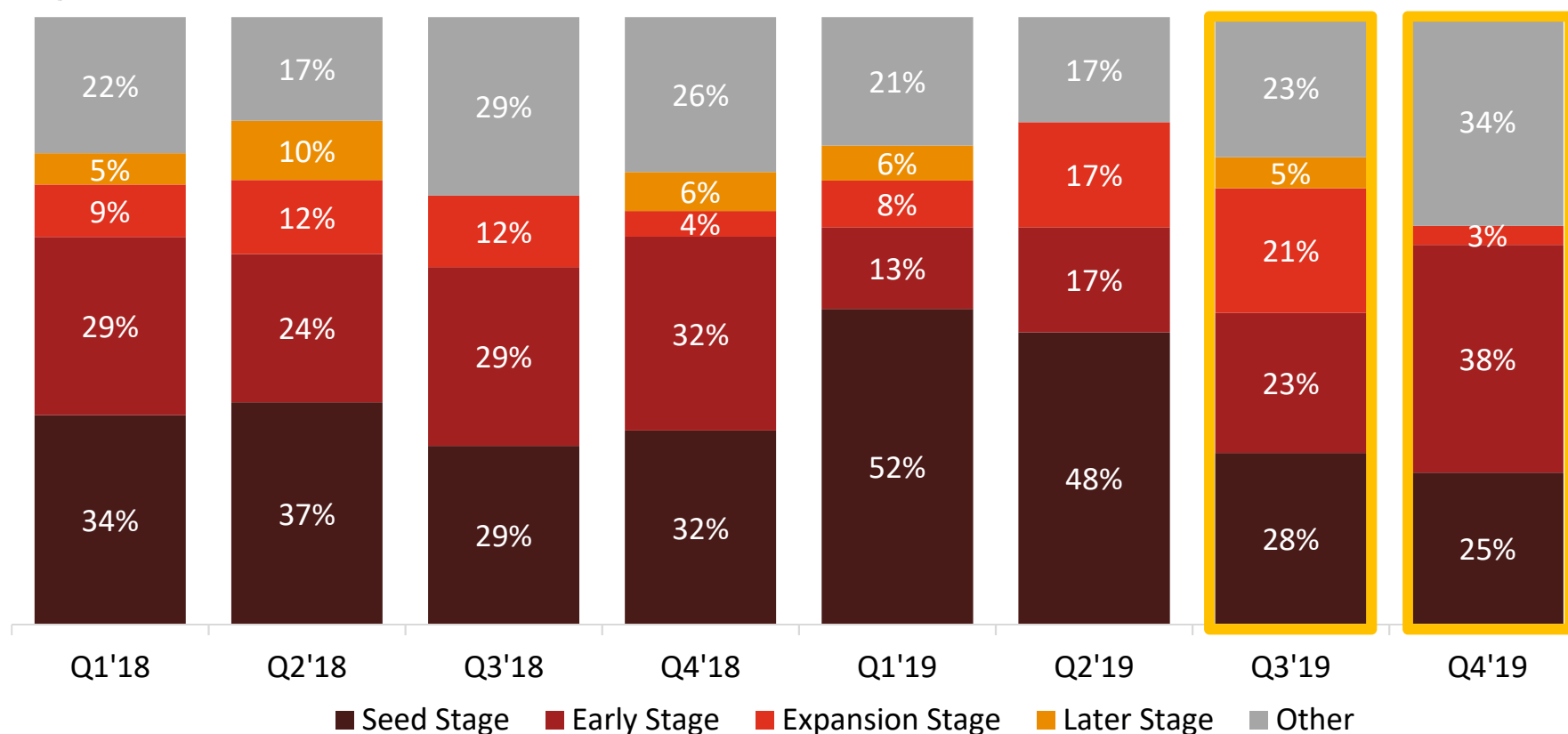


Deal share by stage

Toronto

Toronto sees more funding going to early-stage vs. seed-stage deals in H2'19

- The share of investments in seed-stage rounds declined from 50% in H1'19 to 27% in H2'19.
- Early-stage deals gained share, rising from 15% of rounds in H1'19 to 30% in the back half of the year.



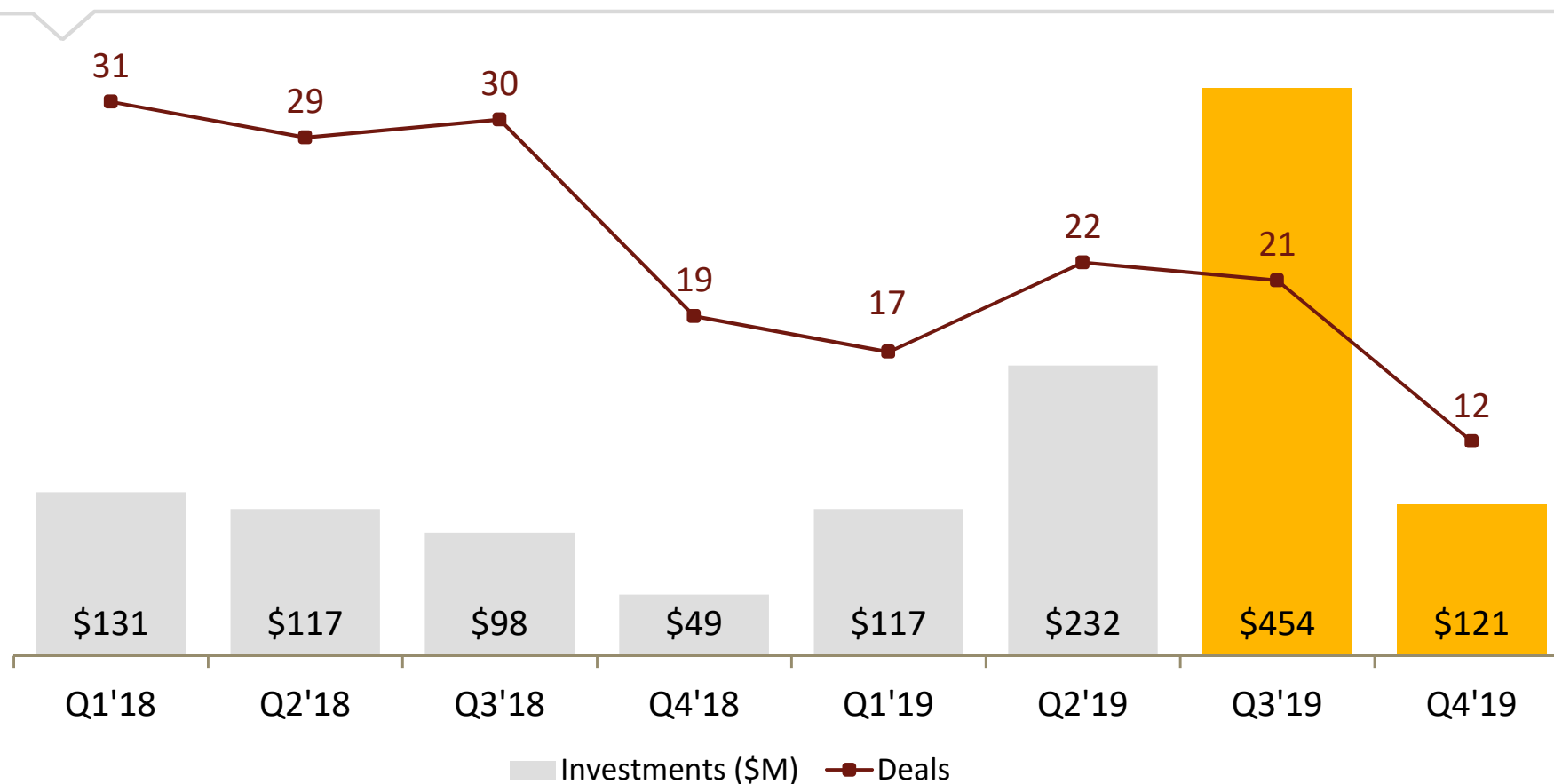
Note: Toronto-based 1Password's Q4 mega-round of \$200M is classified as Early Stage. If categorized as Late Stage given the size of the round, deal share by stage would be 34% for Early Stage and 3% for Later Stage in Q4 '19.

Eight-quarter financing trend

Vancouver

Vancouver funding activity spikes in H2'19 driven largely by Q3 mega-round

- Vancouver-based companies raised \$575M in H2'19.
- Deal count declined 33% HoH from 49 deals in H2'18 to 33 deals in H2'19.

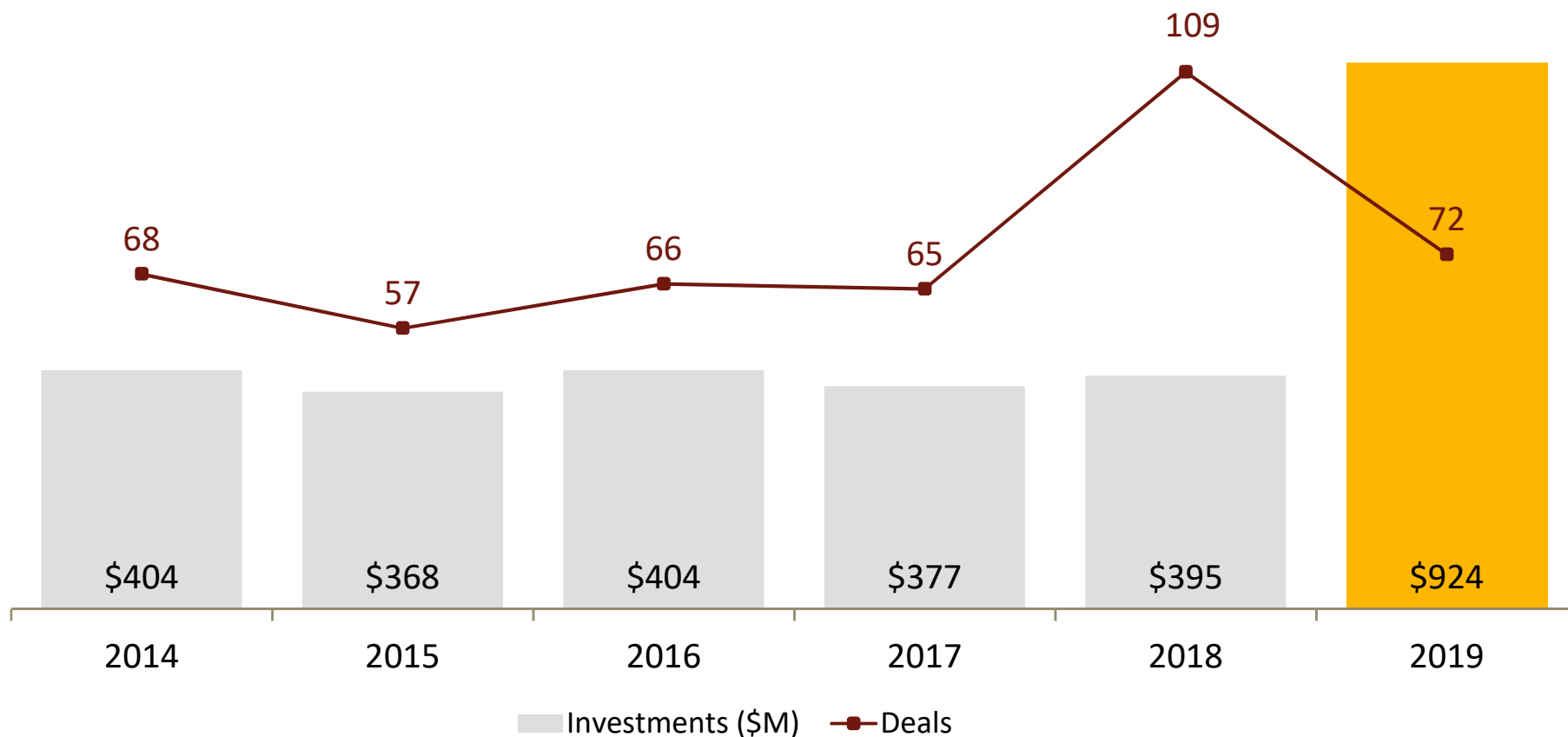


Annual financing trend

Vancouver

Vancouver hits a six-year high for funding in 2019

- Vancouver-based startups raised \$924M in 2019, a 134% increase over levels seen in 2018.
- 2019 deal activity fell sharply to 72 deals vs. 109 in 2018, however activity remains above pre-2018 levels as larger average deal sizes drove gains in funding.

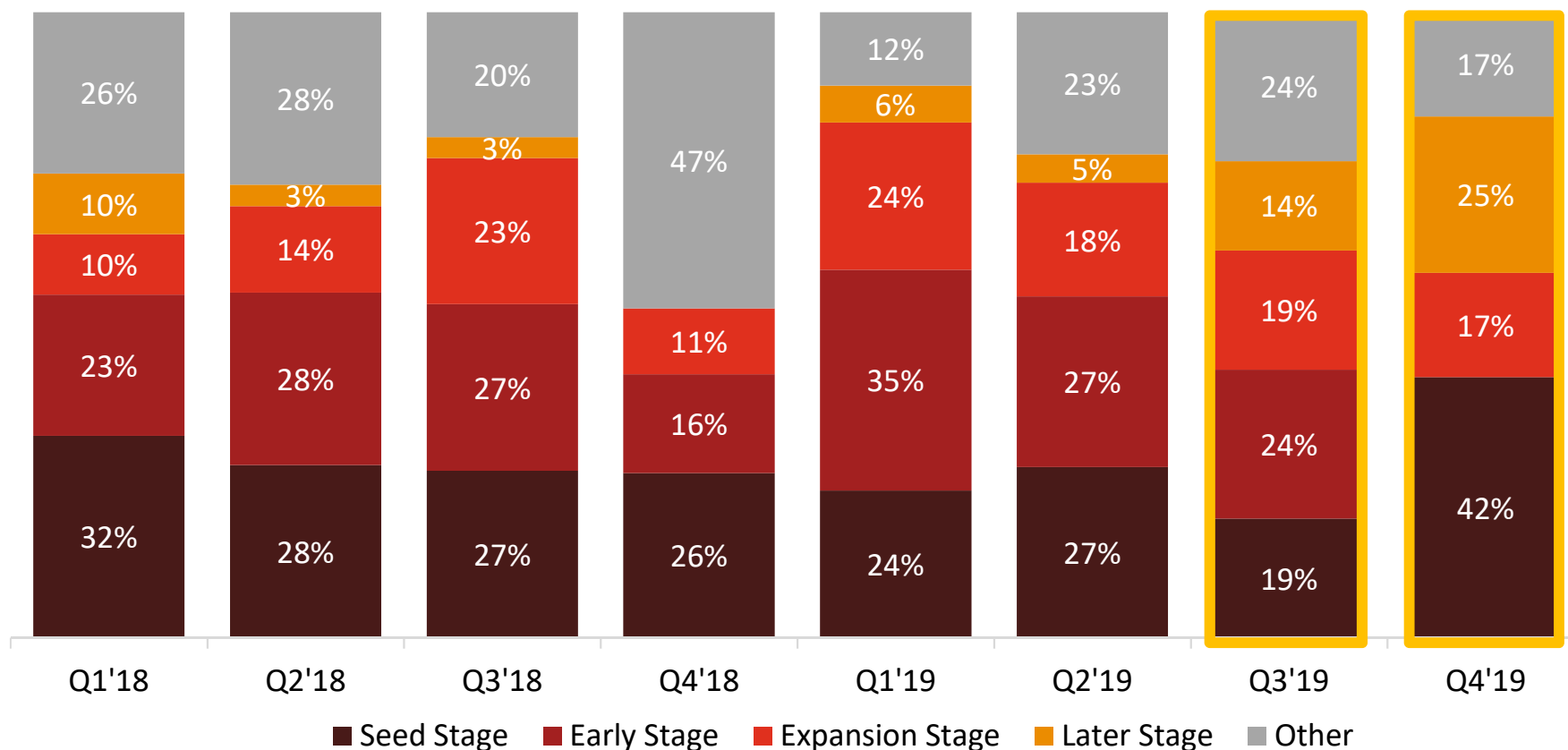


Deal share by stage

Vancouver

Later-stage deals gain traction in Vancouver in H2'19

- Later-stage rounds jumped to 25% of overall deals in Q4'19, an 8-quarter high.
- Seed-stage deals also increased to 42% in the latest quarter, pointing to increased investment activity in both emerging and maturing companies.

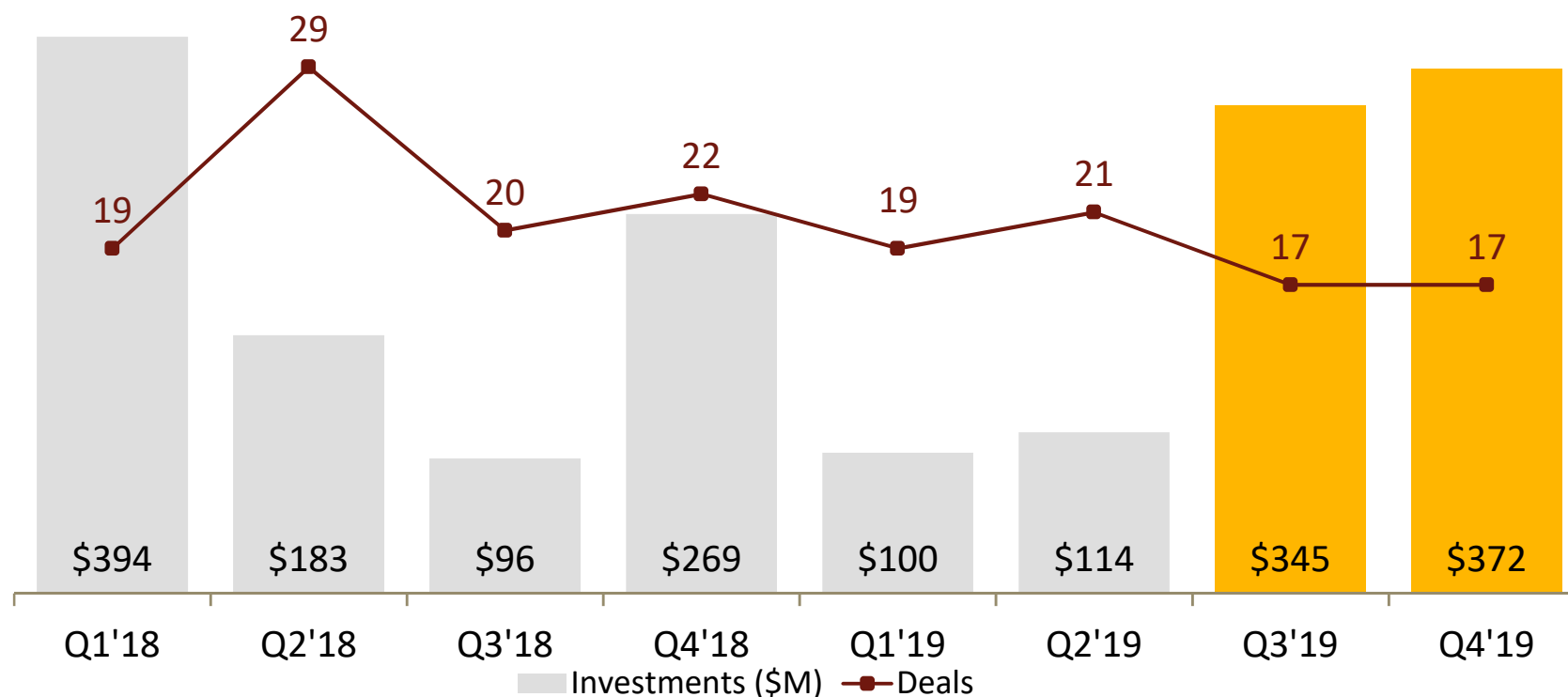


Eight-quarter financing trend

Montréal

Funding to Montréal-based companies nearly doubles in back half of the year

- Montréal-based companies raised \$717M in H2'19 compared to \$365M in H2'18.



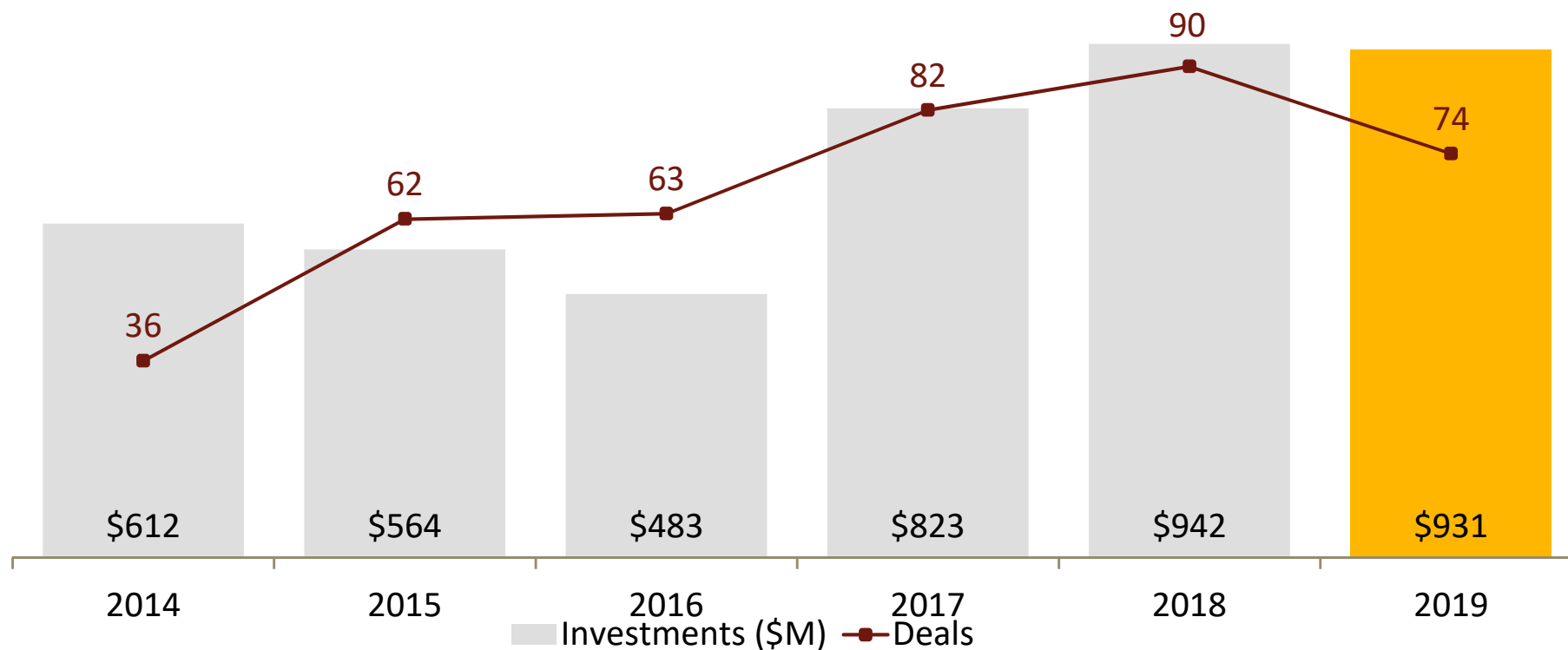
Note: While previously known as a Montreal based company, Sonder's \$210M round is not included as they are headquartered in the U.S.

Annual financing trend

Montréal

Montréal deals and dollars remain at healthy levels despite 2019 declines

- After a strong H2'19, total funding to Montréal-based companies in 2019 was \$931M, only \$11M below 2018 levels.
- 2019 investment was still above annual funding levels seen before 2018, an exceptionally strong year.



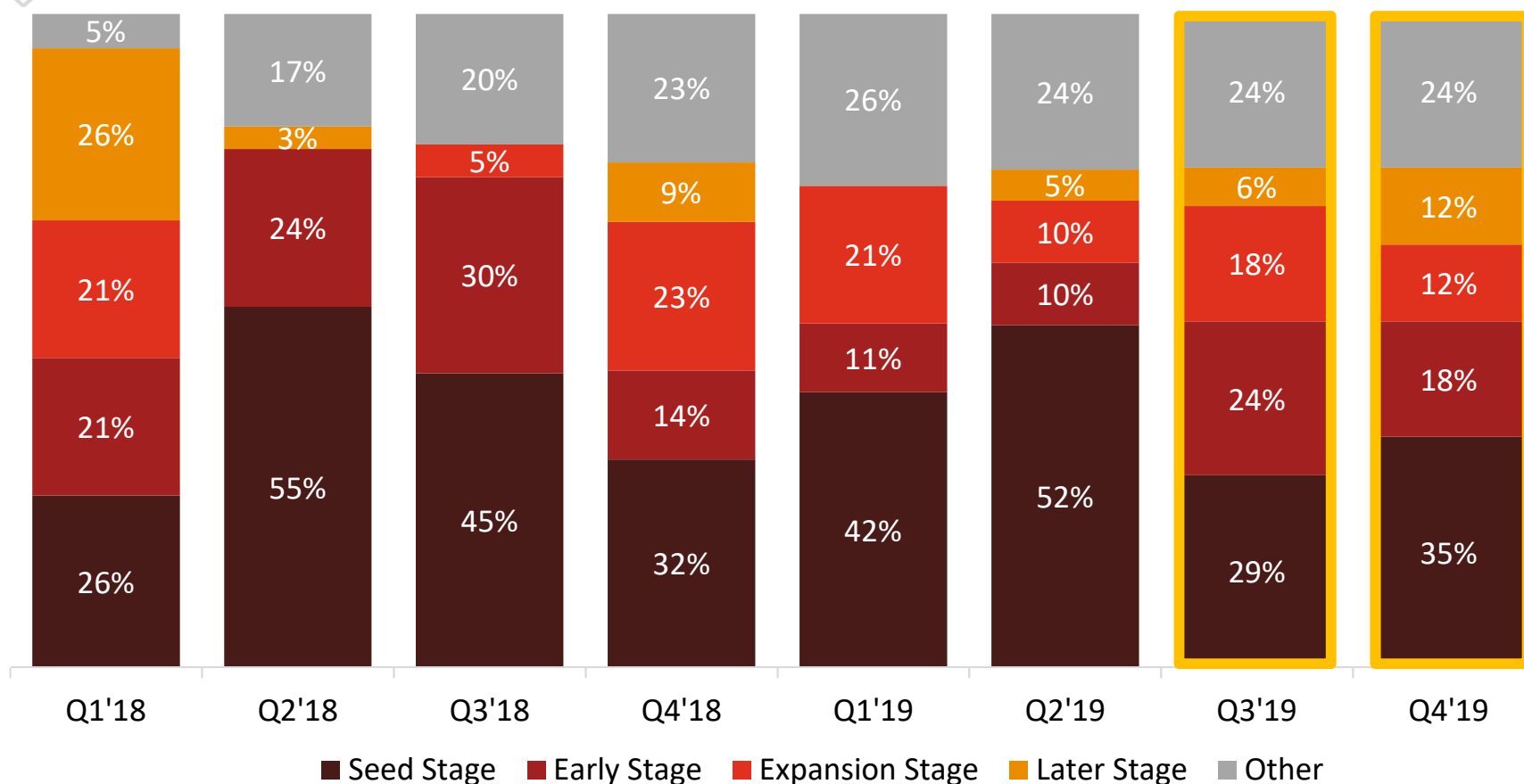
Note: While previously known as a Montreal based company, Sonder's \$210M round is not included as they are headquartered in the U.S.

Deal share by stage

Montréal

Funding by stage in Montréal signals more mature deals in the back half of 2019

- Deal share to seed-stage companies declined to 32% in H2'19, down from 48% in H1'19.
- Later-stage deals gained share in the back half of the year, rising to 9% of total deals in H2'19 vs 3% in H1'19.

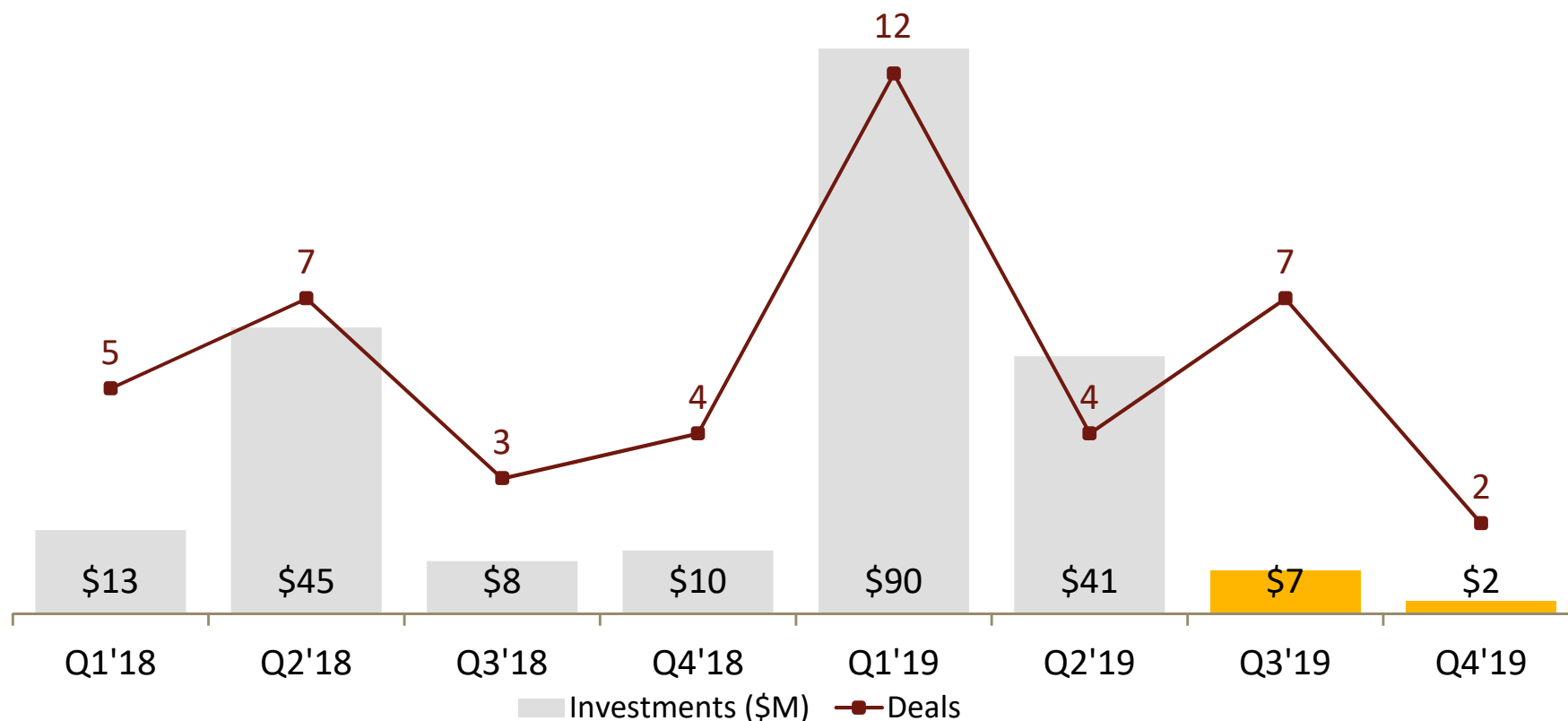


Eight-quarter financing trend

Waterloo

Waterloo startups see substantial drop in funding in H2'19 after spike in H1'19

- Funding to Waterloo-based startups dropped to \$9M in H2'19, substantially below the \$131M raised in H1'19.
- Relative to H2'18, funding fell 52% but deal count was up 29% HoH compared to H2'18.

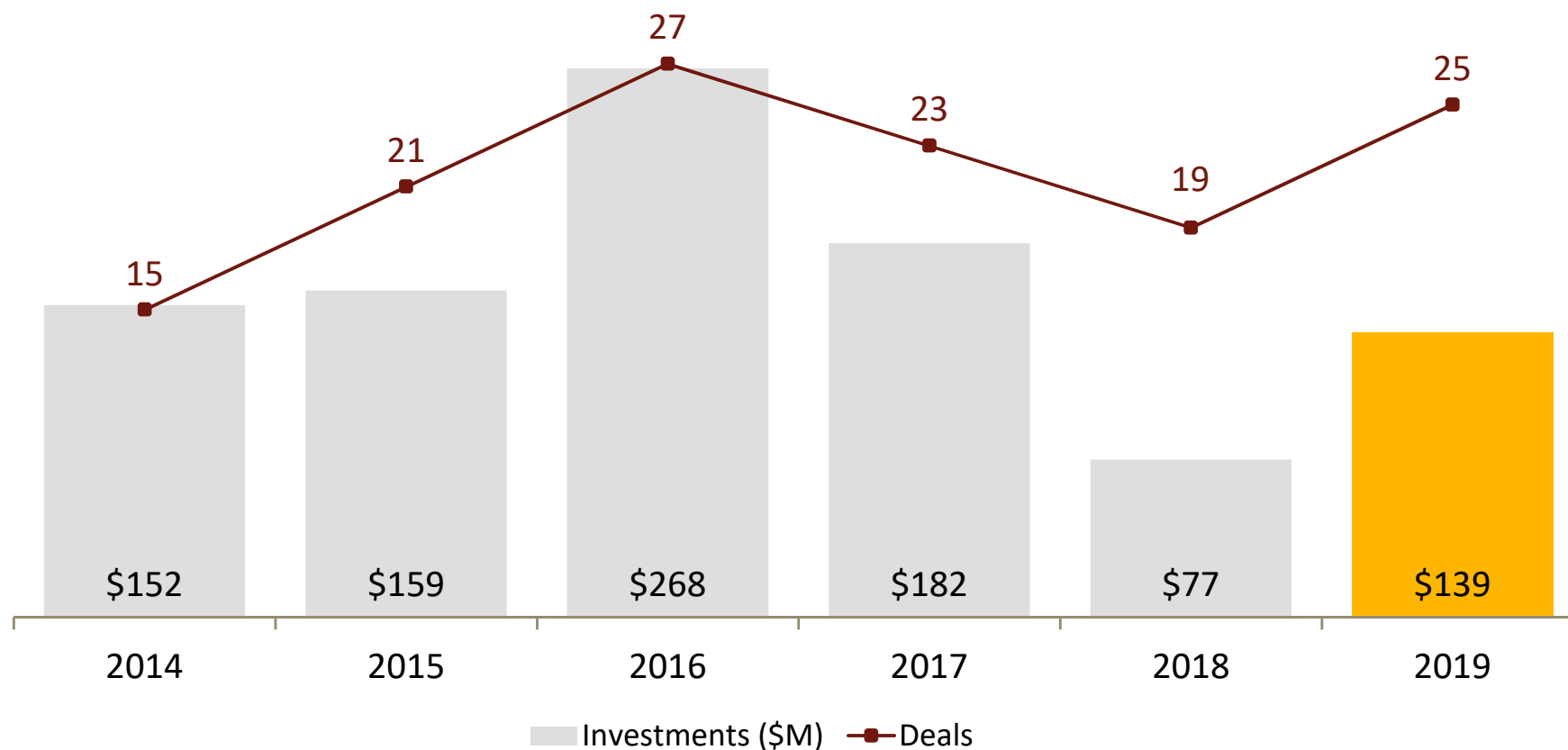


Annual financing trend

Waterloo

Strong funding levels in H1'19 offset weakness in the back half of the year

- Waterloo-based companies raised \$139M in 2019, an 81% increase compared to 2018.
- 2019 deal activity rose by 32% YoY to 25 deals.

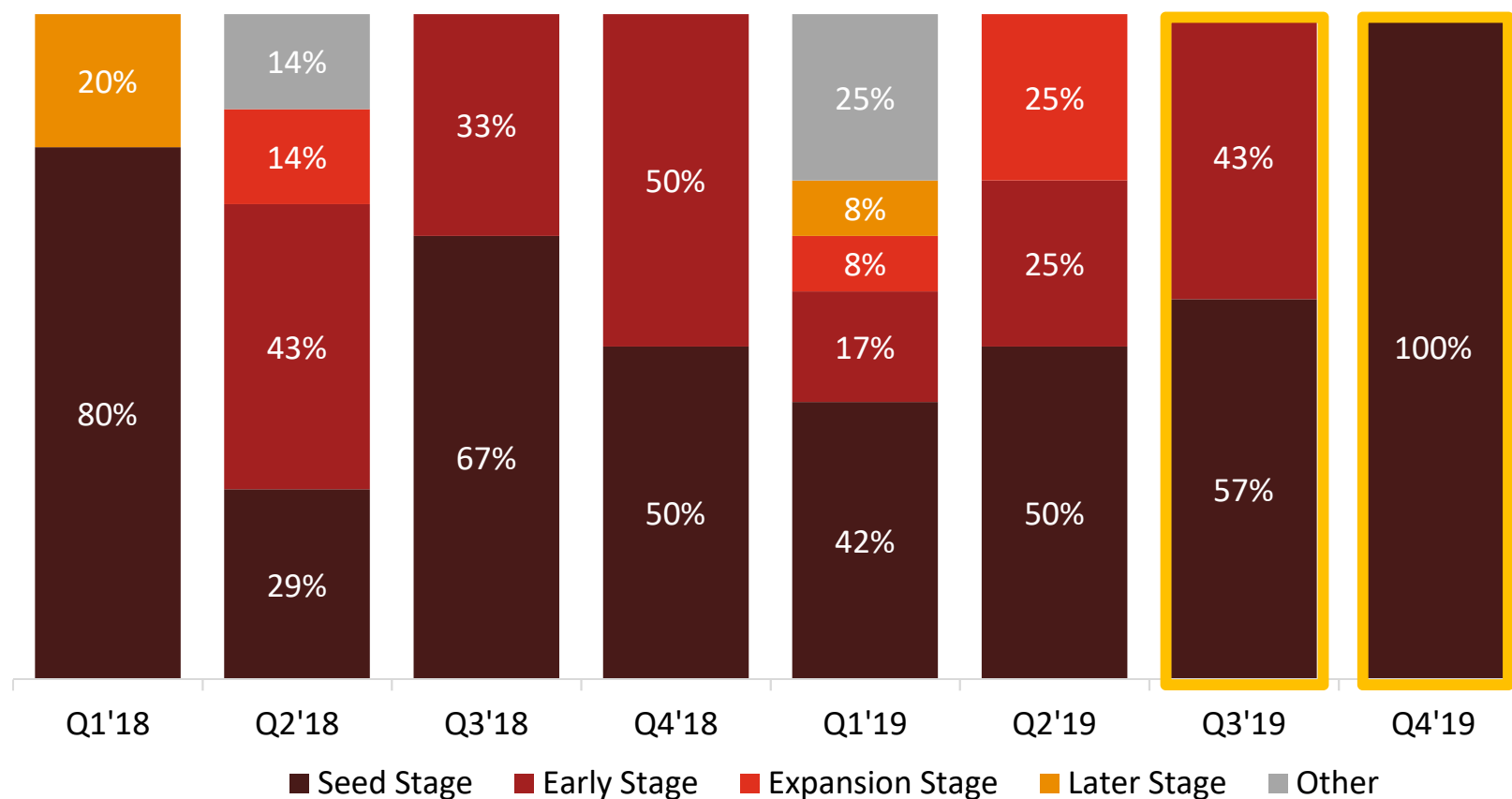


Deal share by stage

Waterloo

Seed-stage deals still make up most of the investments in Waterloo in H2'19

- Waterloo saw only seed-stage and early-stage rounds in H2'19, and a later-stage round has not taken place since Q1'19.

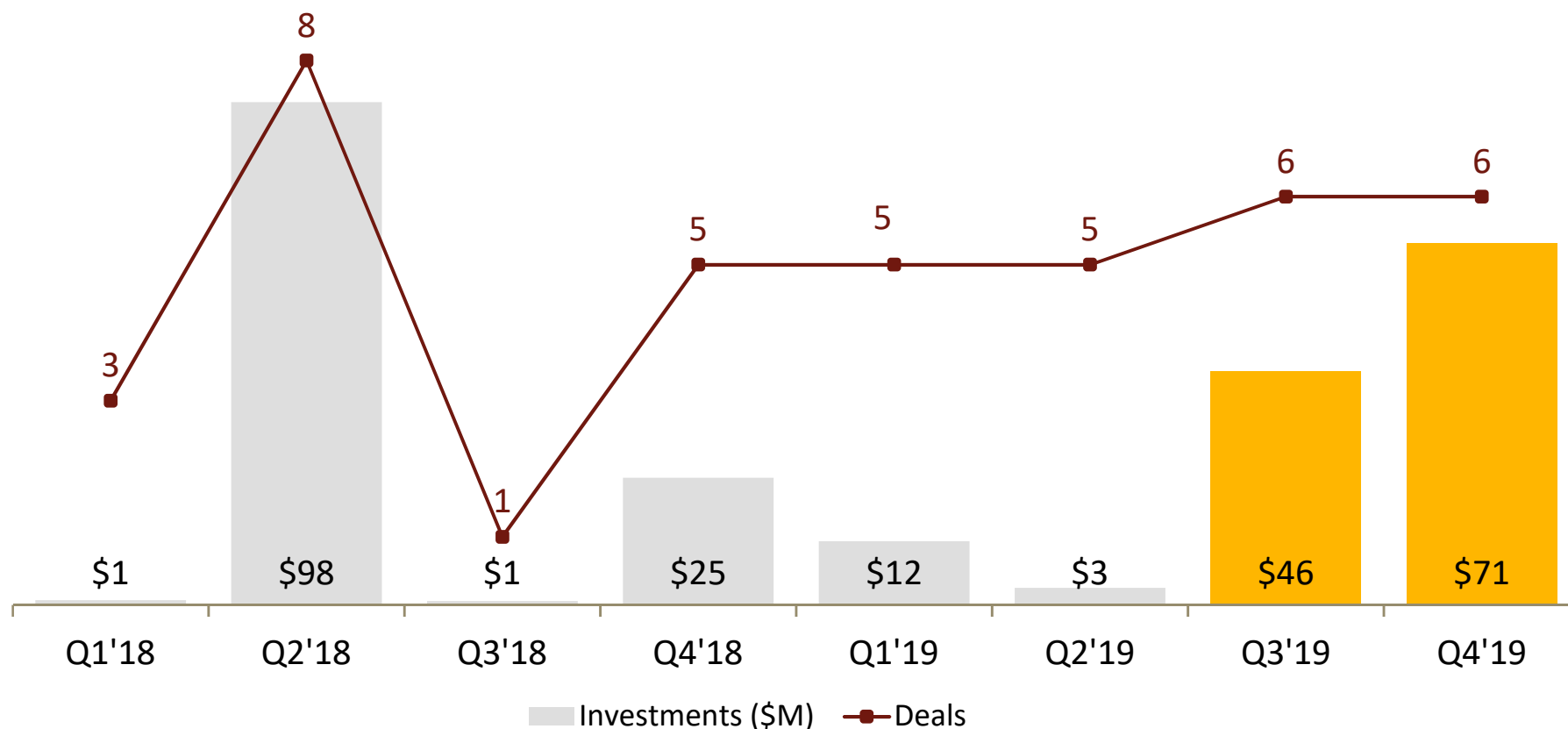


Eight-quarter financing trend

Calgary

Calgary deals and dollars increase in H2'19

- Startups in Calgary raised \$117M in H2'19, driven by both larger average deal size and an increase in deal activity.
- Deals doubled compared to the same period last year.

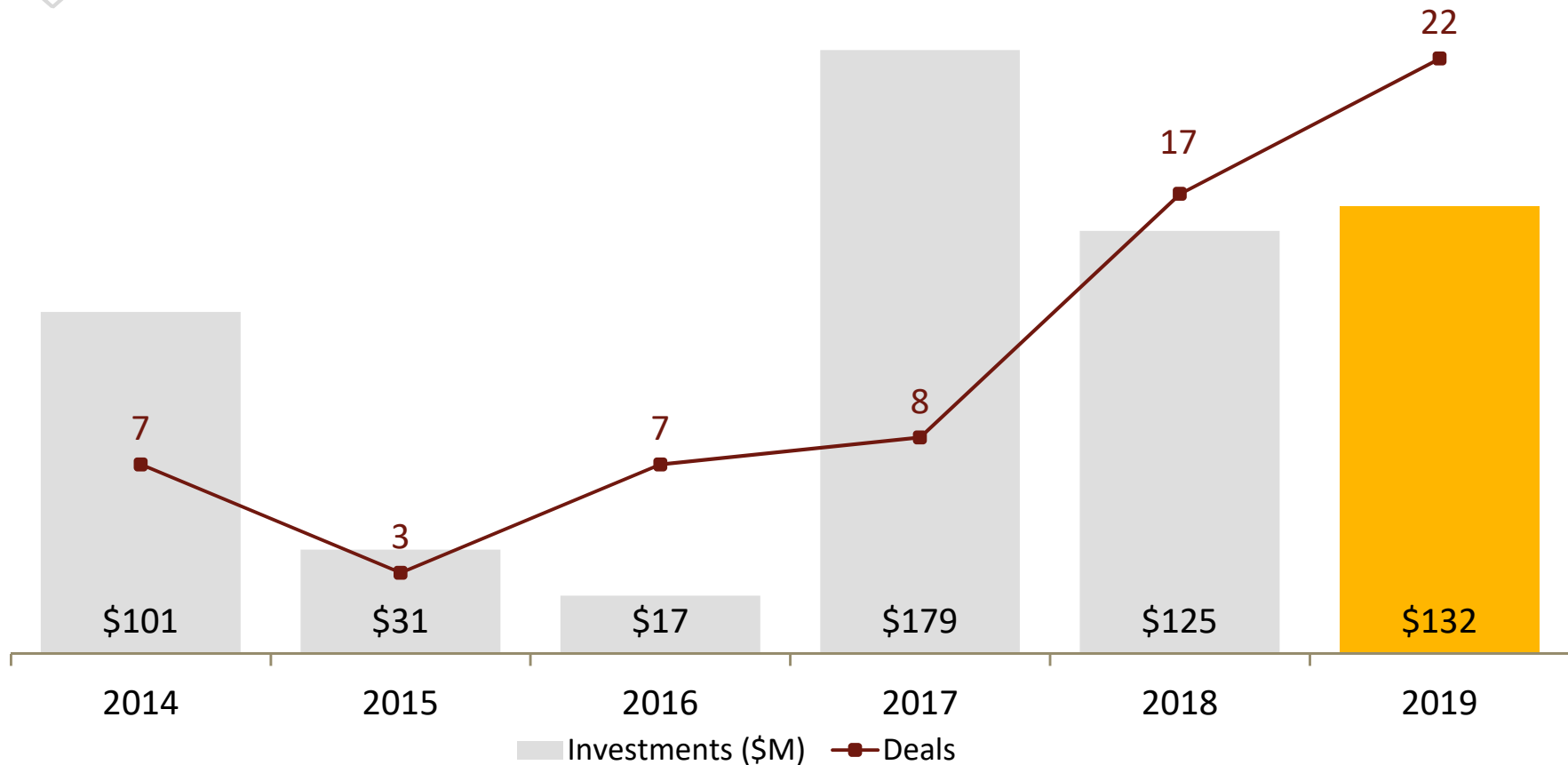


Annual financing trend

Calgary

Deal activity continues to trend upward in Calgary

- 2019 deal activity increased by 5 to 22 deals, while funding rose to \$132M, a 6% increase compared to investment levels in 2018.

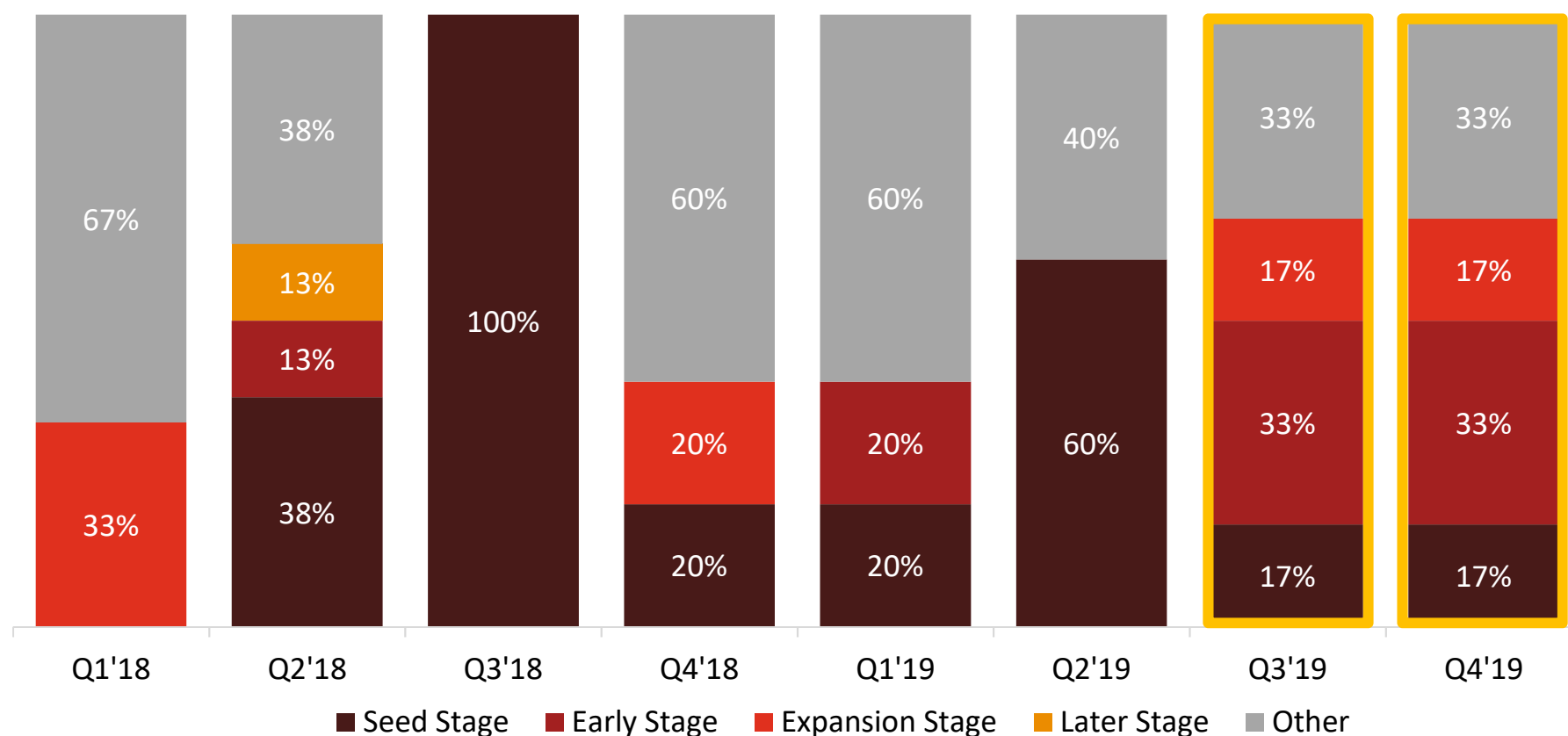


Deal share by stage

Calgary

Early- and seed-stage deals make up 50% of Calgary funding rounds in H2'19

- Expansion-stage deals also gained share in the back half of the year, rising to 17% of deals in H2'19.

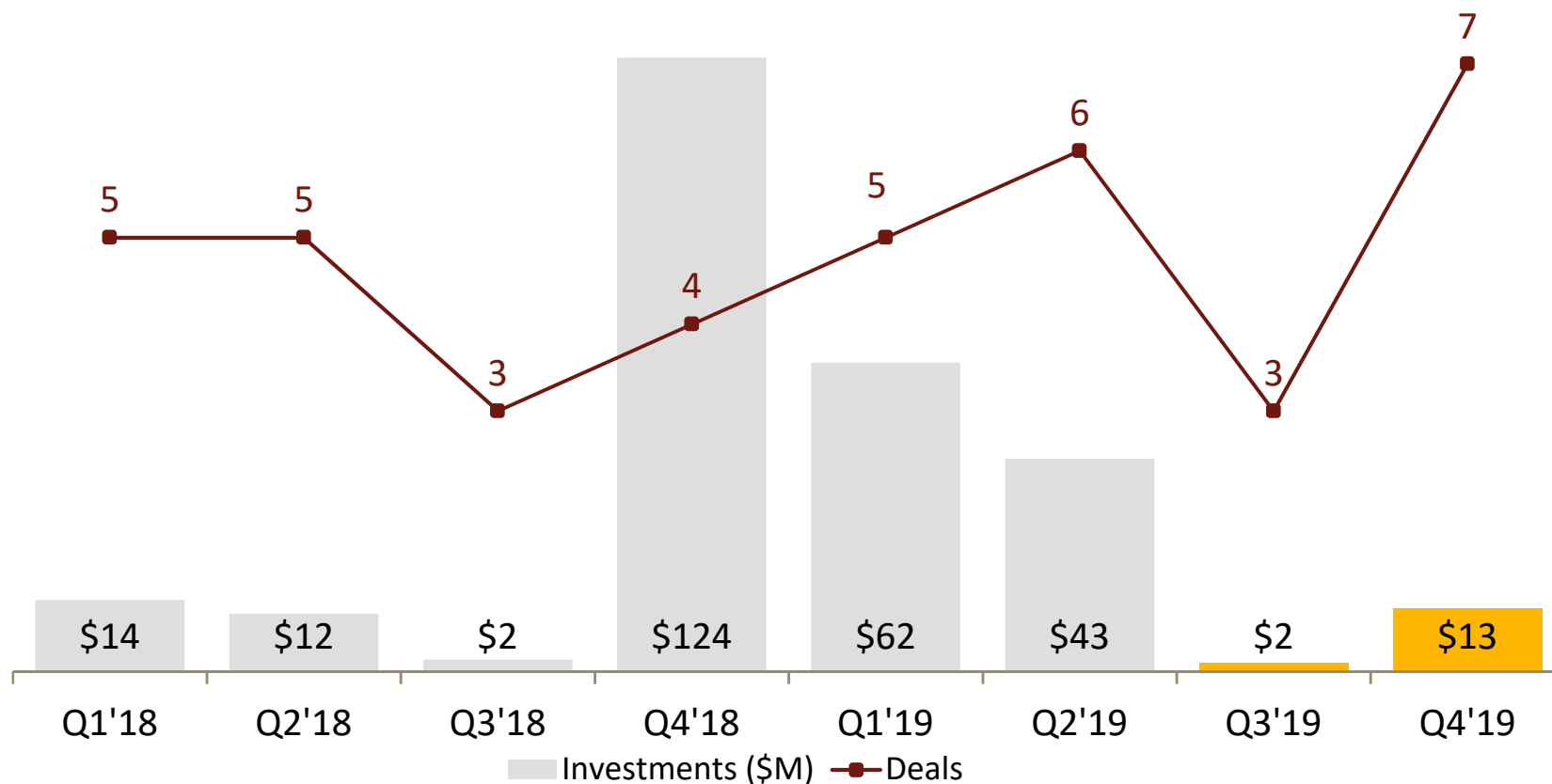


Eight-quarter financing trend

Ottawa

Ottawa H2'19 funding drops sharply in H2'19 despite increase in deal flow

- After a strong first half of the year, funding to Ottawa-based companies fell to \$15M in H2'19, an 89% drop HoH compared to H2'18.
- Excluding a \$100M Series C round in Q4'18, funding was still down 46% in H2'19 compared to H2'18.

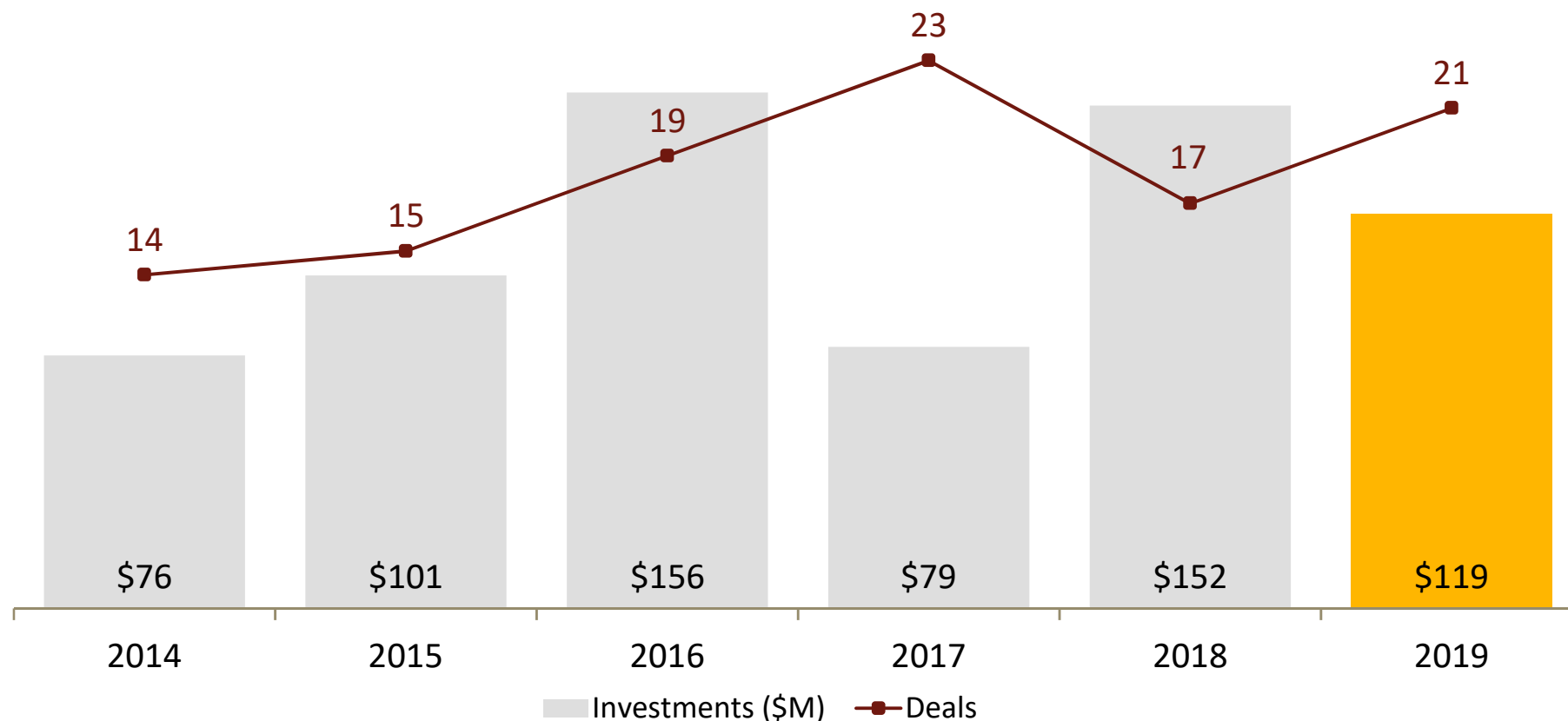


Annual financing trend

Ottawa

Ottawa sees deals and dollars increase in 2019 after strong first half of the year

- Ottawa-based companies raised \$105M in H1'19, which comprised the majority of the \$119M raised in 2019.
- Deals rebounded to 21 in 2019, a 24% increase compared to 2018.

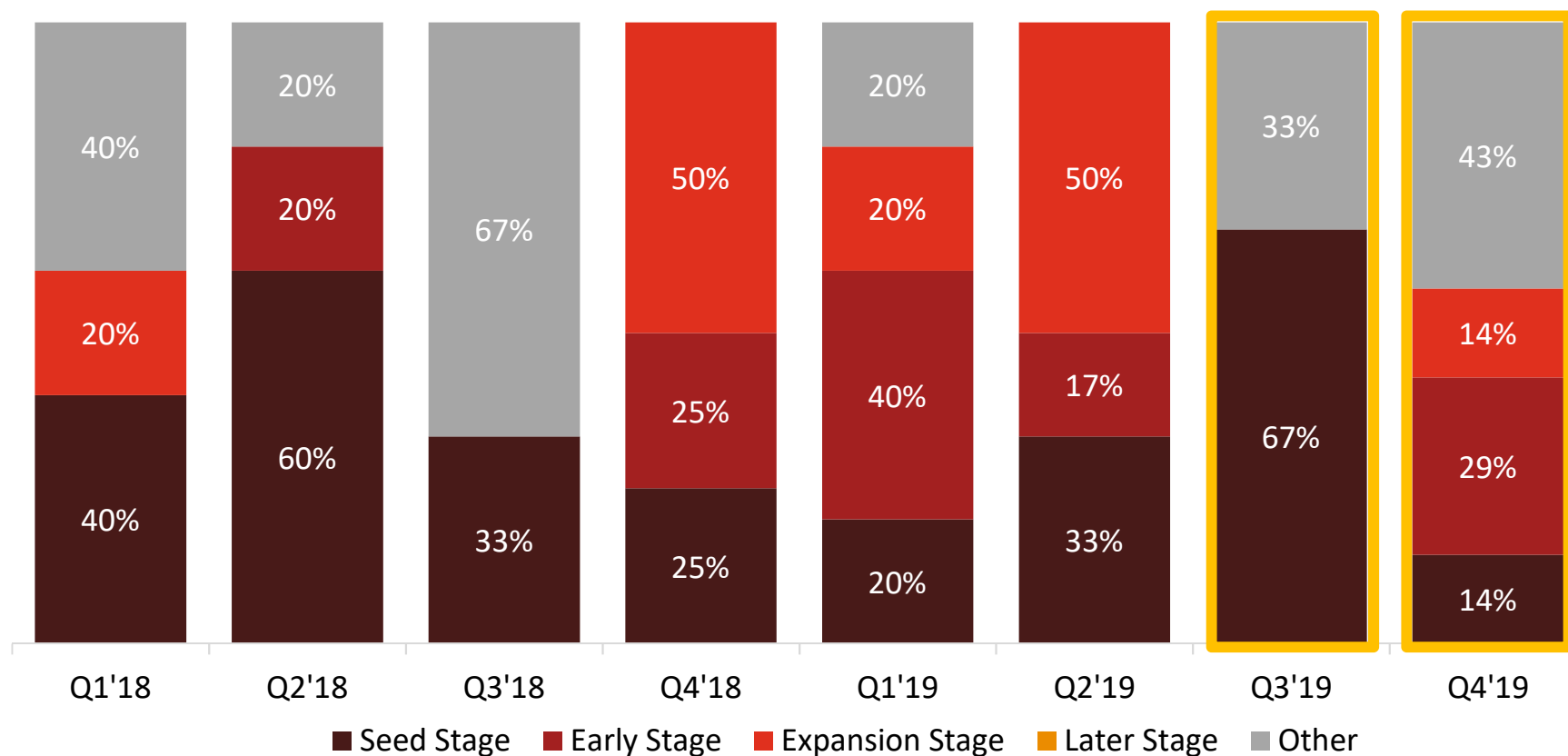


Deal share by stage

Ottawa

Expansion-stage deals decline in Ottawa in the back half of the year

- Funding to expansion stage startups fell to 10% of deals in H2'19 compared to 36% of deals in H1'19.
- Other funding rounds are gaining traction, rising to 40% of deals in the back half of the year.



Largest deals in top markets

Trailing four-quarter (Q1'19 to Q4'19)

Toronto *Qtr.* **\$M**

1Password Q4'19 **\$200**

TouchBistro Q3'19 **\$119**

Vena Solutions Q1'19 **\$87**

ecobee Q1'19 **\$61**

Clearbanc Q3'19 **\$50**

Waterloo *Qtr.* **\$M**

eSentire Q1'19 **\$47**

ApplyBoard Q2'19 **\$41**

Avidbots Q1'19 **\$24**

Dozr Q1'19 **\$11**

Bridgit Q1'19 **\$5**

Montréal *Qtr.* **\$M**

La Coop federee Q4'19 **\$228**

Element AI Q3'19 **\$151**

Repare Therapeutics Q3'19 **\$83**

Enerkem Q2'19 **\$57**

Stradigi AI Q4'19 **\$40**

Ottawa *Qtr.* **\$M**

Turnstone Biologics Q1'19 **\$42**

Fullscript Q2'19 **\$25**

Solink Q1'19 **\$12**

Mindbridge AI Q2'19 **\$11**

Corsa Security Q4'19 **\$8**

Vancouver *Qtr.* **\$M**

Clio Q3'19 **\$250**

PDFTron Systems Q2'19 **\$71**

Carbon Engineering Q1'19 **\$68**

General Fusion Q4'19 **\$65**

Chinook Therapeutics Q3'19 **\$65**

Calgary *Qtr.* **\$M**

Benevity Q4'19 **\$40**

Intelligent Wellhead Systems Q4'19 **\$26**

ATTAbotics Q3'19 **\$25**






Eavor Technologies Q3'19 **\$11**

ZayZoon Q1'19 **\$11**

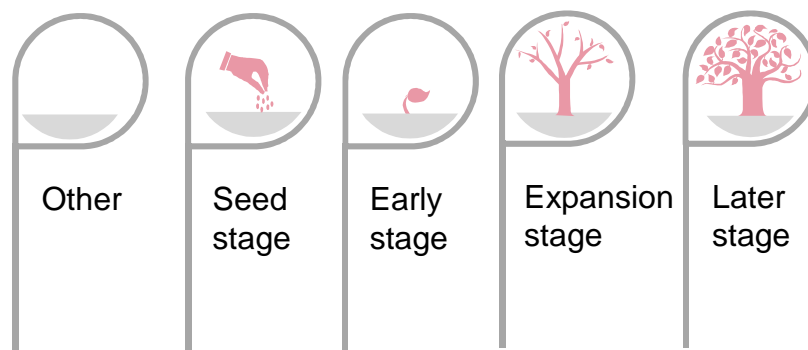
04 Movers and shakers



Largest deals of 2019

Company	Location	Sector	Industry	Stage of funding	Value of deal	Disclosed Investor(s)
Clio	Burnaby, BC	Internet	Internet Software & Services		\$250M	JMI Equity, Technology Crossover Ventures
La Coop fédérée	Montréal, QC	Food & beverages	Wholesale food distributors		\$228M	Caisse de depot et placement du Québec, Desjardins Capital, FondAction CSN, Fonds de Solidarite FTQ
1Password	Toronto, ON	Internet	Internet Software & Services		\$200M	Accel, Gerhard Eschelbeck, Jay Simons, Mike Cannon-Brookes, Scott Farquhar, Slack Fund, WndrCo
Coveo	Québec City, QC	Internet	Internet Software & Services		\$155M	Evergreen Coast Capital, Fonds de Solidarite FTQ, Investissement Québec, OMERS Private Equity
Element AI	Montréal, QC	Software (non-internet / mobile)	Business Intelligence, Analytics & Performance Mgmt Software		\$151M	BDC Capital, Caisse de depot et placement du Québec, Data Collective, Government of Québec, Hanwha Asset Management, McKinsey & Company, Pegasus Tech Ventures, Real Ventures

Note: Toronto-based 1Password's mega-round of \$200M is a Series A round and is therefore classified as Early stage.



Most active investors of 2019

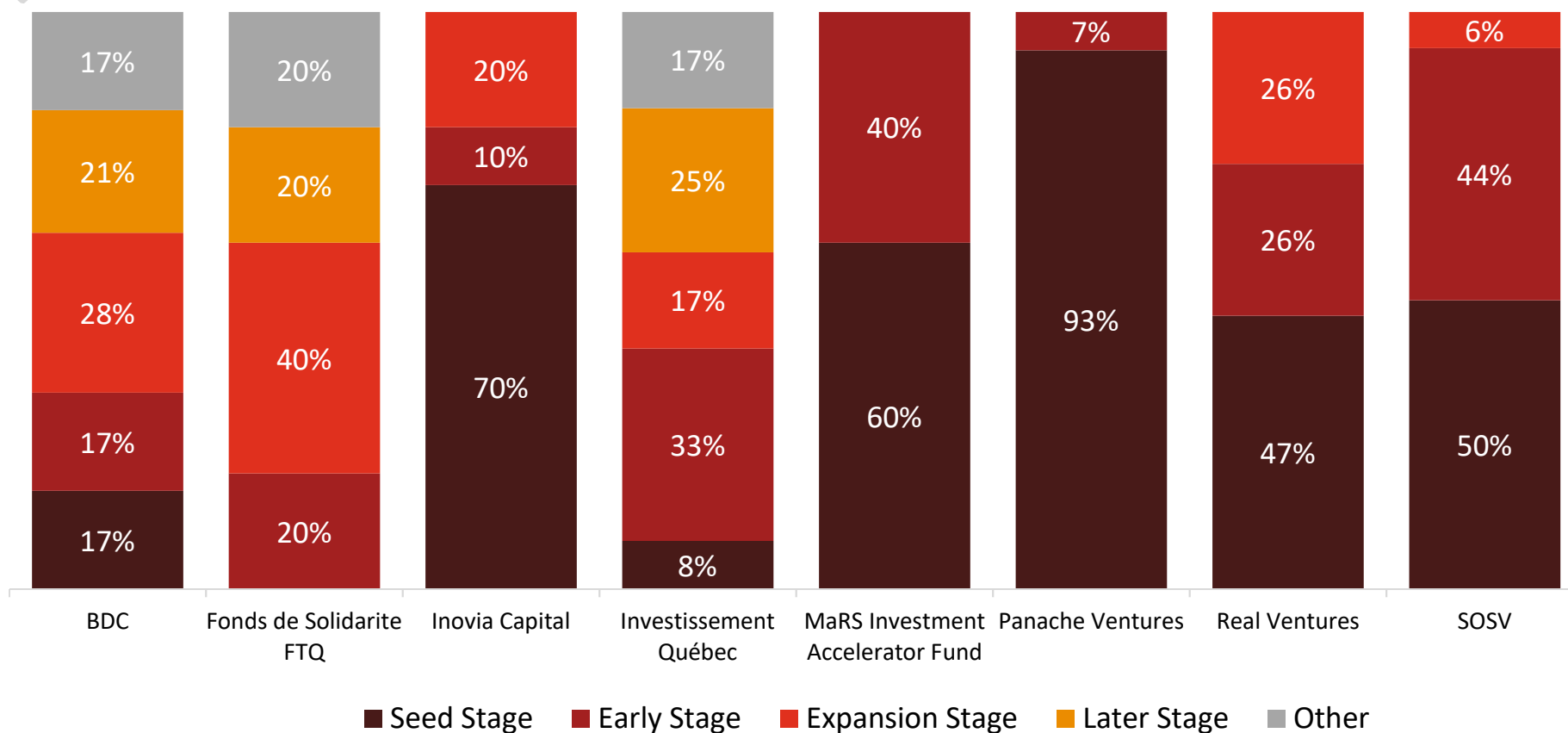
Investor	Location	No. of Canadian companies	Select 2019 investments
1. BDC* (all)	Montréal, QC	45	Avidbots, Element AI, TouchBistro
2. Real Ventures	Montréal, QC	17	Avidbots, Element AI, Xanadu
3. Panache Ventures	Montréal, QC	15	Blume, CTO.ai, dfuse
3. SOSV	Princeton, NJ	15	Avidbots, FreshSpoke
5. Investissement Québec	Montréal, QC	12	Coveo, Enerkem, Stradigi AI
6. MaRS Investment Accelerator Fund	Toronto, ON	10	Bridgit, InnerSpace Technology, Sampler
6. Inovia Capital	Montréal, QC	10	AlayaCare, Clearbanc, RenoRun
6. Fonds de Solidarite FTQ	Montréal, QC	10	Coveo, La Coop fédérée, Repare Therapeutics

**Includes all venture capital and growth/transition capital arms*

Deal share by stage for most active investors in 2019

2019's most active investors are focusing on different deal stages

- Two of the most active investors in 2019, BDC* and Fonds de Solidarite FTQ, are actively investing across different deal stages. Investissement Québec is also investing in multiple phases of the venture cycle.
- Inovia Capital, MaRS Investment Accelerator Fund, Panache Ventures, Real Ventures, and SOSV are more focused on seed- and early-stage deals.



*Includes all venture capital and growth/transition capital arms

Most active investors by deal stage in 2019

Ranked by number of deals by stage

Seed stage

<i>Most active investors</i>	<i>Deal count</i>	<i>Deal share</i>
Panache Ventures	14	3%
SOSV	10	2%
Medteq	9	2%

Early stage

<i>Most active investors</i>	<i>Deal count</i>	<i>Deal share</i>
Real Ventures	7	3%
SOSV	7	3%
BDC Capital	6	2%

Expansion stage

<i>Most active investors</i>	<i>Deal count</i>	<i>Deal share</i>
BDC Capital	9	4%
Real Ventures	5	2%
Information Ventures	4	2%

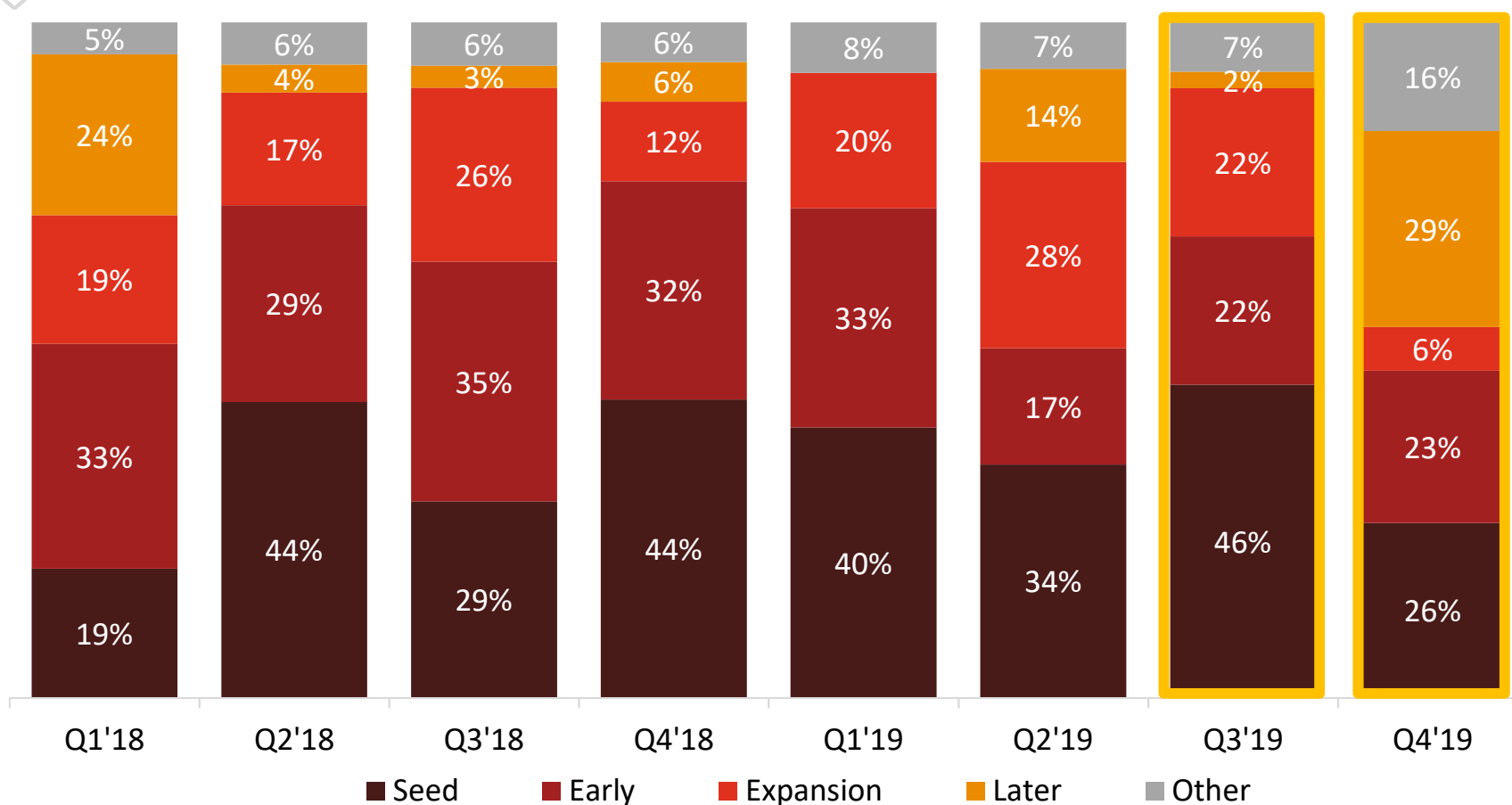
Later stage

<i>Most active investors</i>	<i>Deal count</i>	<i>Deal share</i>
BDC Capital Growth Equity	7	8%
Investissement Québec	3	3%
VantagePoint Capital Partners	3	3%

Most active investors of 2019: Quarterly deal share by stage

Most active investors of 2019 are investing across deal maturities

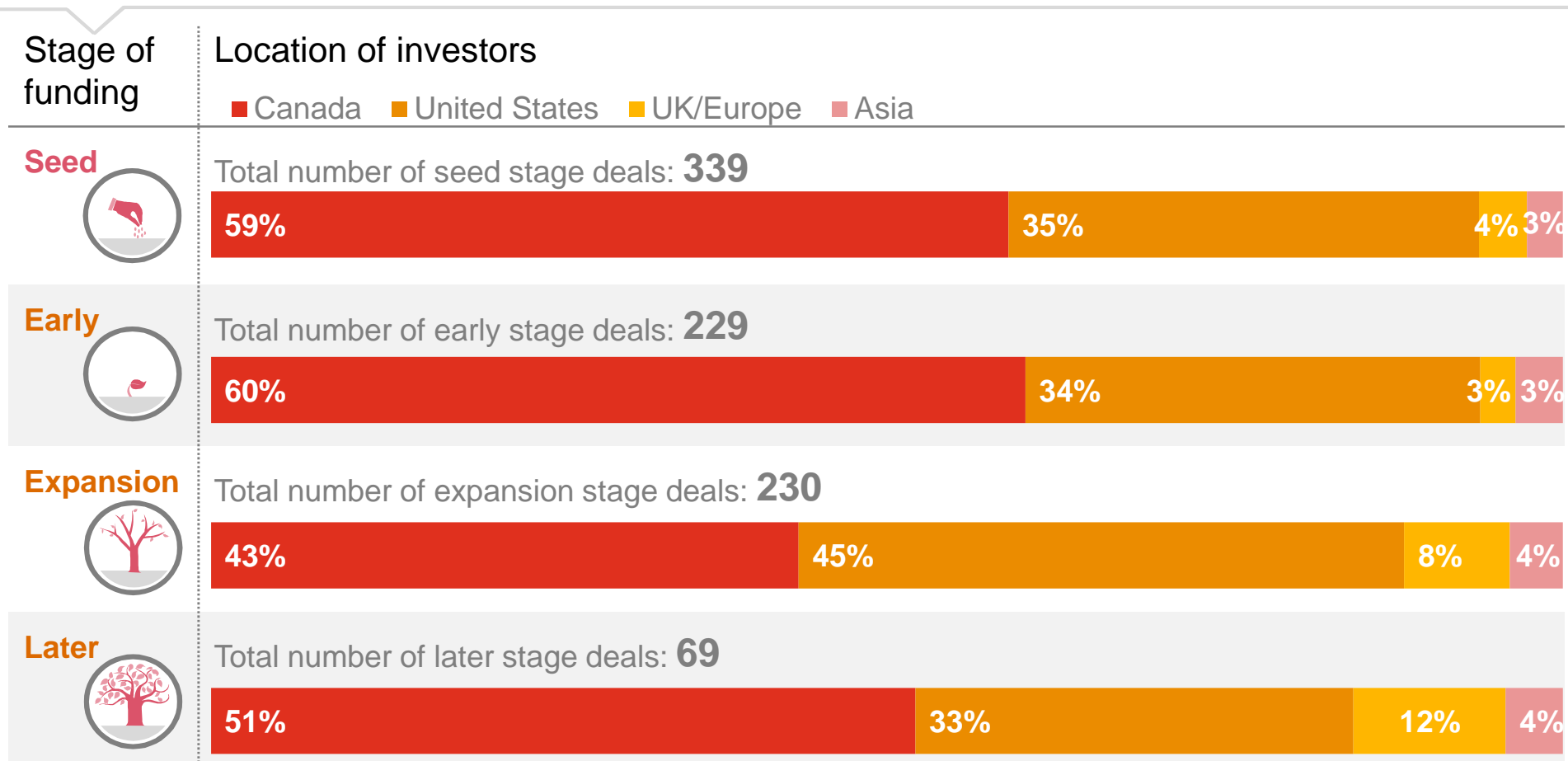
- Deal share by stage for 2019's most active investors has fluctuated on a quarterly basis, suggesting that this group of investors is interested in companies across all stages of the venture cycle.



Investor locations (2019)

Canadian investors most active in funding across all stages

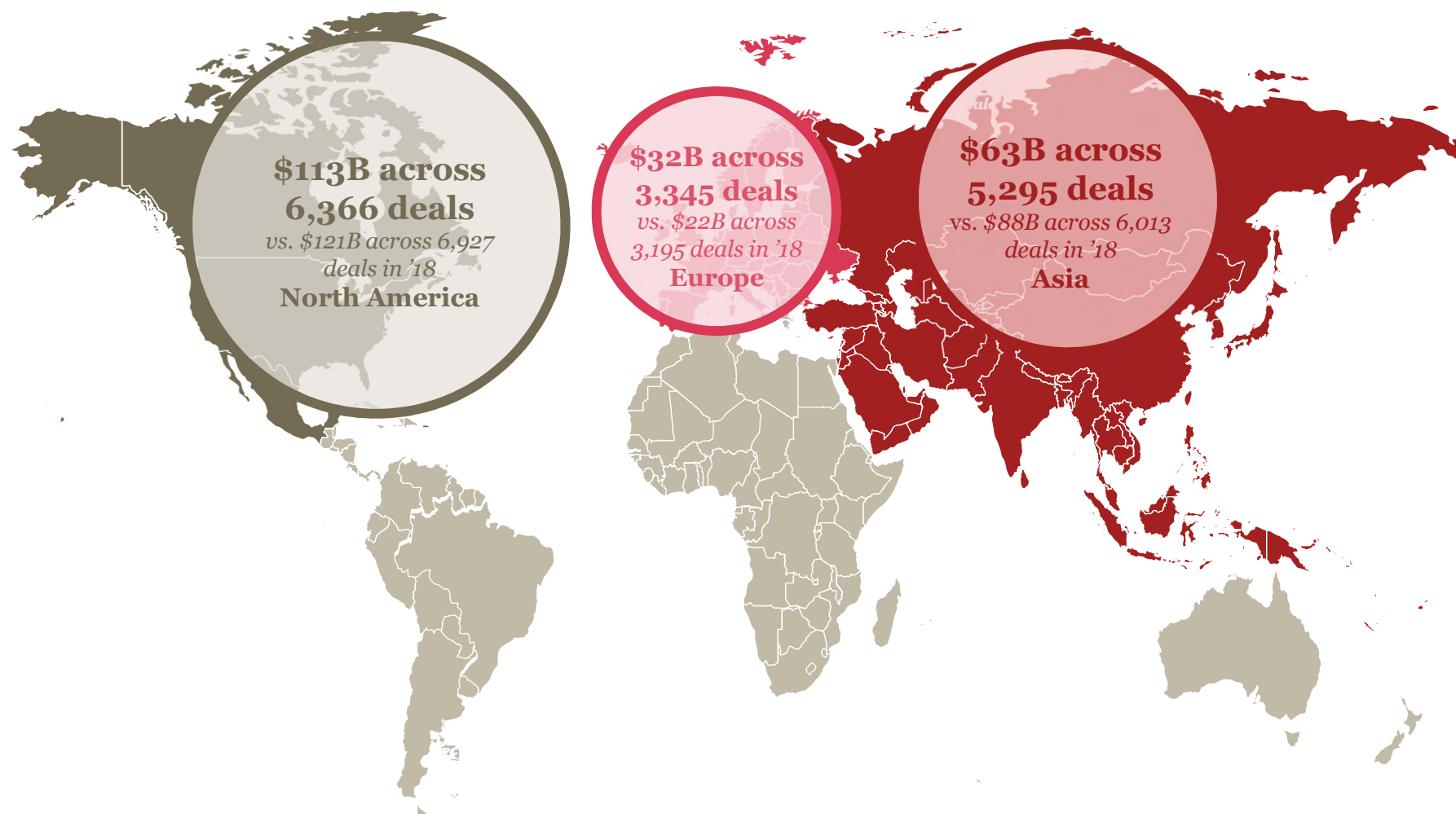
- Early-stage deals have the highest percentage of Canadian investor participation, though Canadian investors are active across all stages.
- US-based investors are most active in expansion-stage investments.



05 Global trends



2019 global regional comparison



All figures in USD

PwC | CB Insights MoneyTree™ Canada Report H2 and FY 2019

**Note: Global and North American data in this section of the report includes equity financings to VC-backed companies only. See methodology slide for methodology in Canadian sections.*

For more global data, see the full PwC & CB Insights MoneyTree Report.

Appendix

PwC / CB Insights
MoneyTree™ Canada Report
H2 and FY 2019



Notes on methodology

PwC Canada (pwc.com/ca/moneytree) and CB Insights (cbinsights.com) encourage you to review the methodology and definitions used to better understand the numbers presented in this report. If you have any questions about the definitions or methodological principles used, we encourage you to reach out to CB Insights directly. Additionally, if you feel your firm has been underrepresented, please send an email to info@cbinsights.com, and we can work together to make sure your firm's investment data is up to date.

Rankings, e.g. top markets and top sectors, are done by quarterly deal activity (that is, deal count for the given quarter). CB Insights' global platform converts deal amounts to USD at the market rate current on the date of the specific deal. All figures in this report are in USD and not in CAD.

What is included:

- Canadian companies headquartered in Canada.
- Equity financings into emerging companies. Fundings must be to VC-backed companies, which are defined as companies that have received equity funding at any point from at least one of the following: venture capital firms, corporate venture groups, super angel investors, government entities, or public-private partnerships.
- Fundings of only private companies. Funding rounds raised by public companies of any kind on any exchange (including Pink Sheets) are excluded from our numbers, even if they received investment by a venture firm(s).
- Only includes the investment made in the quarter for tranchéd investments. If a company does a second closing of its Series B round for \$5M and previously had closed \$2M in a prior quarter, only the \$5M is reflected in our results.
- Round numbers are updated to reflect what has closed, wherever available—not what is intended. If a company indicates the closing of \$5M out of a desired raise of \$15M, our numbers will update to reflect the amount that has closed.
- Only verifiable fundings are included. Fundings are verified via (1) various federal and provincial regulatory filings, (2) direct confirmation with firm or investor, (3) press release, or (4) credible media sources.
- Equity fundings to joint ventures and spinoffs/spinouts are included, given that they meet the VC-backed criteria.






What is excluded:

- Canadian companies not headquartered in Canada.
- Contingent funding. If a company receives a commitment for \$20M subject to hitting certain milestones but first gets \$8M, only the \$8M is included in our data.
- Business development/R&D arrangements whether transferable into equity now, later or never. If a company signs a \$300M R&D partnership with a larger corporation, this is not equity financing nor is it from venture capital firms. As a result, it is not included.
- Buyouts, consolidations, or recapitalizations. All three of these transaction types are commonly employed by private equity firms and are tracked by CB Insights. But they are excluded for the purposes of this report.
- Private placements. These investments, also known as PIPEs (private investment in public equities), are not included even if made by a venture capital firm(s).
- Debt/loans of any kind (except convertible notes). Venture debt or any kind of debt/loan issued to emerging startup companies, even if included as an additional part of an equity financing, isn't included. If a company receives \$3M with \$2M from venture investors and \$1M in debt, only the \$2M is included in these statistics. No secondary markets deals are included.
- Grants or loan financings by the federal government, provincial agencies, or public-private partnerships to emerging startup companies are not included (only equity financings).
- Fundings to subsidiaries of a larger parent corporation.

Definitions

Stage of development definitions

The stage of development classifications used for deals in the MoneyTree Report are as follows:

	Seed stage	– Seed
	Early stage	– Series A
	Expansion stage	– Series B, Series C
	Later stage	– Series D, Series E+, Growth Equity, Private Equity
	Other	– Includes rounds not associated with a specific stage in a company's funding history. These include corporate minority rounds where corporates take a minority stake in a startup, as well as a small number of unclassified rounds tracked that are not associated with a specific stage

Note: Convertible note deals can occur across stages

Thematic areas definitions

The thematic areas used in the MoneyTree Report are defined as follows:

Artificial Intelligence: Companies across industries that apply artificial intelligence algorithms as a core part of their value proposition and/or in a core product. AI encompasses technologies such as natural language processing, machine learning and deep learning, computer vision, and neural networks. We also include companies developing computer hardware and processors supporting AI applications. This category excludes AR/VR, on-demand ride hailing, and hardware-focused robotics startups.

FinTech: Companies operating within an online, mobile or electronics capacity in the financial services category. Encompasses sub-sectors such as online lending, risk, regulatory, compliance, wealth management, selling insurance digitally, payments processing, billing management, financial analytical tools (stock market tracking).

Digital Health: Companies in the healthcare space that use software as a central piece of the company's product offering, including but not limited to mobile health, telemedicine, genomics, and electronic medical records. Products like pharmaceuticals, mechanical devices, and hospital systems are excluded.

Cybersecurity: These are tech-enabled companies that offer products and services for the protection of digital assets from unauthorized access and malicious use by cyber criminals.

Clean Energy Tech: These are companies working on technology to minimize the globe's carbon footprint by supporting the low-carbon production of energy and reducing greenhouse gas emissions.

Definitions

Sector definitions

The sector classifications used in the MoneyTree Report are as follows:

Agriculture: All aspects of farming, including crop production and health, animal production and wellness, as well as machinery, products and related activities.

Automotive & Transportation: All elements of travel by air, automobile, train, trucking and other forms of transportation. Also addresses manufacturing, parts and maintenance.

Business Products & Services: All business needs and associated services: advertising, PR, HR, staffing, training records keeping, legal services, consulting, office supplies and furniture, information services, hardware, facilities and more. Also covers associated services like commercial printing, outsourcing and packaging.

Computer Hardware & Services: Physical computing devices and related services, though specifically not the software used on those machines. Includes personal and business computers, networking equipment, leasing companies, peripherals, handhelds, servers, supercomputers, gaming devices and IT services.

Consumer Products & Services: All goods and services for personal use (not Business or Industrial), including but not limited to: appliances, automotive services, rentals, consumer electronics, clothes, home furnishings, jewelry, pet products, tobacco, toys and games.

Electronics: Concerned mainly with electronic components like chips, semiconductors, switches, motors, testing equipment and scientific instruments; also related manufacturing services.

Energy & Utilities: Energy production, distribution and storage, including fossil fuels, renewables, electric power companies, companies focused on energy efficiency, as well as companies researching new energy sources or technologies.

Environmental Services & Equipment: These companies deal with repairing damage after an environmental event has occurred or aim to help limit the negative ecological impact of an event or company. This includes environmental and energy consulting, hazardous waste services, recycling, cleanup and solid waste.

Financial: Companies dealing with wealth in any form, including but not limited to: accounting, banking, credit and collections, investments, online payments companies and lending.

Food & Beverages: Food and drink of all kinds: retail and wholesale, fresh ingredients, prepared and canned items and foodservice (but not restaurants, see Leisure). Also includes food safety, flavoring and condiments, alcoholic products and distribution.

Healthcare: All aspects of medical care and wellness: diagnosis, drug development and distribution, medical products and facilities, healthcare plans and alternative treatments and elective procedures.

Industrial: Equipment and facilities that are neither commercial nor residential/consumer and all related applications. Mainly concerned with materials, facilities, heavy machinery and construction.

Internet: Online applications, but neither the hardware on which they are run nor the ISPs that make transactions possible. All ecommerce sites are included, as are web hosting services, browser software, online advertising, email, online communications platforms of all kinds, online learning, video and more.

Leisure: In-person entertainment like movie theaters, casinos, lodging, restaurants of all kinds, sporting events, gyms and recreation facilities.

Media: All forms of non-Internet entertainment that is also not in-person (see Leisure). Includes film, video, music, publishing, radio and television.

Metals & Mining: Companies involved with extracting raw materials from the earth and their processing. Larger categories contained herein include aluminum, coal, copper, diamonds and precious stones, precious metals and steel; additionally the brokering and distribution of these items.

Mobile & Telecommunications: Communications companies and associated technologies, from overarching categories like fiber optics, telecom equipment, infrastructure, towers and RFID systems to applications like mobile software, mobile commerce and the telecom companies that facilitate communication over their networks.

Retail (non-internet/mobile): Brick-and-mortar retail locations of all kinds: clothes, electronics, appliances, physical media, grocery, office supplies and every other item purchased in person that is not a leisure activity (see Leisure).

Risk & Security: Security services and products that operate primarily in the physical world and encompass personal protective equipment, security and surveillance equipment, security guard companies, consultants and more.

Software (non-internet/mobile): Software not covered under "Mobile" or "Internet." It can be hosted on a user's machine or accessed remotely and can be used for any application. In this category, the software itself is the user's primary concern, not the delivery method (as in Internet and Mobile categories).



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