




VC & PE CANADIAN MARKET OVERVIEW

// 2017

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PARTICIPATING DATA CONTRIBUTORS

 **CVCA THANKS**
THE FOLLOWING FIRMS
WHO PARTICIPATED IN ITS
Q4 2017 SURVEY.

PARTICIPATING LIMITED PARTNERS

| |
|---|
| Alberta Enterprise Corporation |
| Alberta Teachers' Retirement Fund (ATRF) |
| BDC Capital Inc. |
| Caisse de dépôt et placement du Québec (CDPQ) |
| Capital Régional et Coopératif Desjardins |
| Dancap Private Equity Inc |
| Fondaction CSN |
| Fonds de solidarité FTQ |
| Fonds de solidarité FTQ (Regional) |
| HarbourVest Partners, LLC |
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| Kensington Capital Partners Limited |
| Northleaf Capital Partners |
| Ontario Teachers' Pension Plan (OTPP) |
| Teralys Capital |

PARTICIPATING PRIVATE EQUITY & LSVCC FIRMS

| | |
|--|--|
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| AIP Private Capital | Mink Capital |
| Altas Partners LP | Mosaic Capital Corporation |
| Arc Financial | Novacap Management Inc. |
| Ardenton Capital Corporation | Parallel 49 Equity |
| ATB Capital | Persistence Capital Partners |
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| Brookfield Asset Management | Pillarfour Capital |
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| First West Capital | Roynat Capital Inc. |
| Fulcrum Capital Partners | Searchlight Capital Partners |
| GrowthWorks Atlantic Venture Fund Ltd. | TIMIA Capital Corp |
| Growthworks Working Opportunity Fund (EVCC) Ltd. | Tricor Pacific Founders Capital |
| Highland West Capital | TriWest Capital Partners |
| Innovation Platform Capital | VERTU Capital |
| InstarAGF Asset Management | Westcap Mgt. Ltd |
| Ironbridge Equity Partners | Western Investment Company of Canada Limited |
| Lex Capital Management | XPND Capital |

If you would like to have your firm included in future reports, please contact either dpinto@cvca.ca or dkornacki@cvca.ca

PARTICIPATING VENTURE CAPITAL FIRMS

| | |
|---------------------------------------|-------------------------------------|
| Accelerate Fund | MaRS IAF |
| Amorchem Venture Fund | McRock Capital |
| Anges Quebec | New Brunswick Innovation Foundation |
| Anges Quebec Capital | Northumberland CFDC |
| Avrio Ventures Management Corp | OMERS Ventures |
| Azure Capital Partners | Pangaea Ventures |
| Brightspark Ventures | Pelorus Venture Capital Ltd. |
| CTI Life Sciences | Plaza Ventures |
| Cycle Capital Management/Ecofuel | Quark Venture |
| Difference Capital | Real Ventures |
| Emerald Technology Ventures | Relay Ventures |
| Emerillon Capital | Renewal Funds |
| EnerTech Capital | Roadmap Capital |
| Espresso Capital Ltd. | Ryerson Futures |
| Eventi Capital Partners | ScaleUP Ventures |
| Evok Innovations | Tandem Expansion |
| Fight Against Cancer Innovation Trust | TandemLaunch |
| Freycinet Ventures | TEC Venture Angels |
| Georgian Partners | Top Renergy |
| Golden Venture Partners | TVM Life Science Management Inc. |
| Good News Ventures | Vancity Capital Corp |
| Green Acre Capital | Vancouver Founders Fund |
| GreenSoil Investments | Vanedge Capital Partners |
| iGan Partners | VentureLink Funds |
| Information Venture Partners | Versant Ventures |
| Innovacorp | Version One Ventures |
| iNovia Capital | Wellington Financial |
| Investeco Capital Corp | White Star Capital |
| Lumira Capital | Whitecap Venture Partners |
| MaRS Catalyst Fund | Yaletown |

FOREWORD

INCREASE IN MEGA DEALS DRIVES CANADIAN VC; REBOUND YEAR FOR CANADIAN PE INVESTMENT

VC ecosystem attracting larger financing rounds in later stages highlighting quality of Canadian startups; \$26.3B in PE invested over 603 deals in 2017 with amount invested and exits both doubling from previous year

VENTURE CAPITAL

Canadian venture capital investment grew 11% in 2017 with \$3.5B invested over 592 deals compared to the \$3.2B invested over 534 deals in 2016. This is the latest increase, following years of steady investment growth for Canadian VC across the entire spectrum of stages in the ecosystem. Canadian venture capital investment is now approximately double the size it was just five years ago.

The record number of 15 mega deals (\$50M+) included three deals over \$100M. Building on the 10 mega deals in 2016, investors continued to scale high quality maturing Canadian startups. The three deals in 2017 over \$100M were in Quebec-based companies and included the \$207M Series D in Montreal-based **Lightspeed POS Incorporated** from a syndicate including **Caisse de dépôt et placement du Québec (CDPQ)**, **iNovia Capital** and **Teralys Capital**; the \$141M Series A financing of Montreal-based **Element AI** with participation from **Real Ventures**; and, the \$128M Series C of Quebec City-based **LeddarTech** with participation from **Fonds de solidarité FTQ**.

Activity in the smaller end of the deal spectrum also saw healthy growth, showcasing strong support for entrepreneurs at very early stages. There were 162 small deals (<\$500k), a 33% increase compared to 2016 (122 deals); there was a 6% year-over-year increase in deals between \$1M-\$5M.

"The excitement many of us are feeling in the Canadian venture capital ecosystem is being validated by the data," said **Mike Woollatt**, CEO, **CVCA**. "We're seeing historic investment in cutting-edge businesses across the country underlining the confidence in Canadian innovation."

Information communications technology (ICT) companies received the majority (71%) of total VC dollars invested (\$2.5B over 375 deals) while life science companies received a fifth of the dollars invested (\$696M over 105 deals).

2017 also saw a rebound from last year's exit slump with 39 exits totalling \$1.7B (compared to only 33 exits totalling \$0.6B in 2016).

PRIVATE EQUITY

Total PE investment in 2017 saw a dramatic year-over-year rise to \$26.3B (compared to \$13.8B in 2016) over 603 deals (compared to 542 deals in 2016); an incredible 90% year-over-year surge and results in a return to historically high levels seen in 2014 and 2015.

There were 14 deals in the \$500M+ category (totalling \$15.7B), doubling the seven large deals (totalling \$7.1B) in 2016. Notable \$1B+ deals this year included the \$4.8B privatization of Toronto-based **DH Corporation** in Q2, the \$2.2B acquisition of Montreal-based **Garda World Security Corporation** in Q1 and the \$1.1B private placement in Montreal-based **Osisko Gold Royalties Limited** by La **Caisse de dépôt et placement du Québec (CDPQ)** and **Fonds de solidarité FTQ** in Q3.

"We continue to see increasing Canadian private equity investment in the industrial and manufacturing and ICT sectors," said **Mike Woollatt**, CEO, **CVCA**. "The increase represents the continued evolution of the global economy and 2017 levels are a testament to Canada's healthy investment climate."

Almost a fifth (19%) of all PE deal deals in 2017 were closed in the industrial and manufacturing sector with information communications technology (ICT) companies receiving the second largest share at 16%. Since 2013, both these sectors have seen a dramatic increase in deal flow, with the industrial and manufacturing sector seeing a 216% increase while ICT experiencing a 263% increase in deal activity.

89 deals totalling \$6.7B (15%) of all PE deals in 2017 were made in Montreal-based companies, while both Calgary-based (54 deals totalling \$3.1B) and Montréal-based (53 deals totalling \$0.5B) companies each receiving a 9% share.

Fuelled by a high valuation environment, the exit floodgates opened in 2017. There have been more than twice the number of PE exits (149) compared to only 65 last year. There were six IPOs, including the \$445M dual listing of the iconic **Canada Goose** on (TSE/NYSE: GOOS), the \$300M TSX-debut of **Jamieson Laboratories Ltd** (TSE: JWEL), the \$200M IPO of Neo Performance Materials (TSE: NEO) and the \$200M IPO of **Roots Corp** (TSE: ROOT)



VENTURE CAPITAL CANADIAN MARKET OVERVIEW // 2017

VENTURE CAPITAL HIGHLIGHTS // 2017

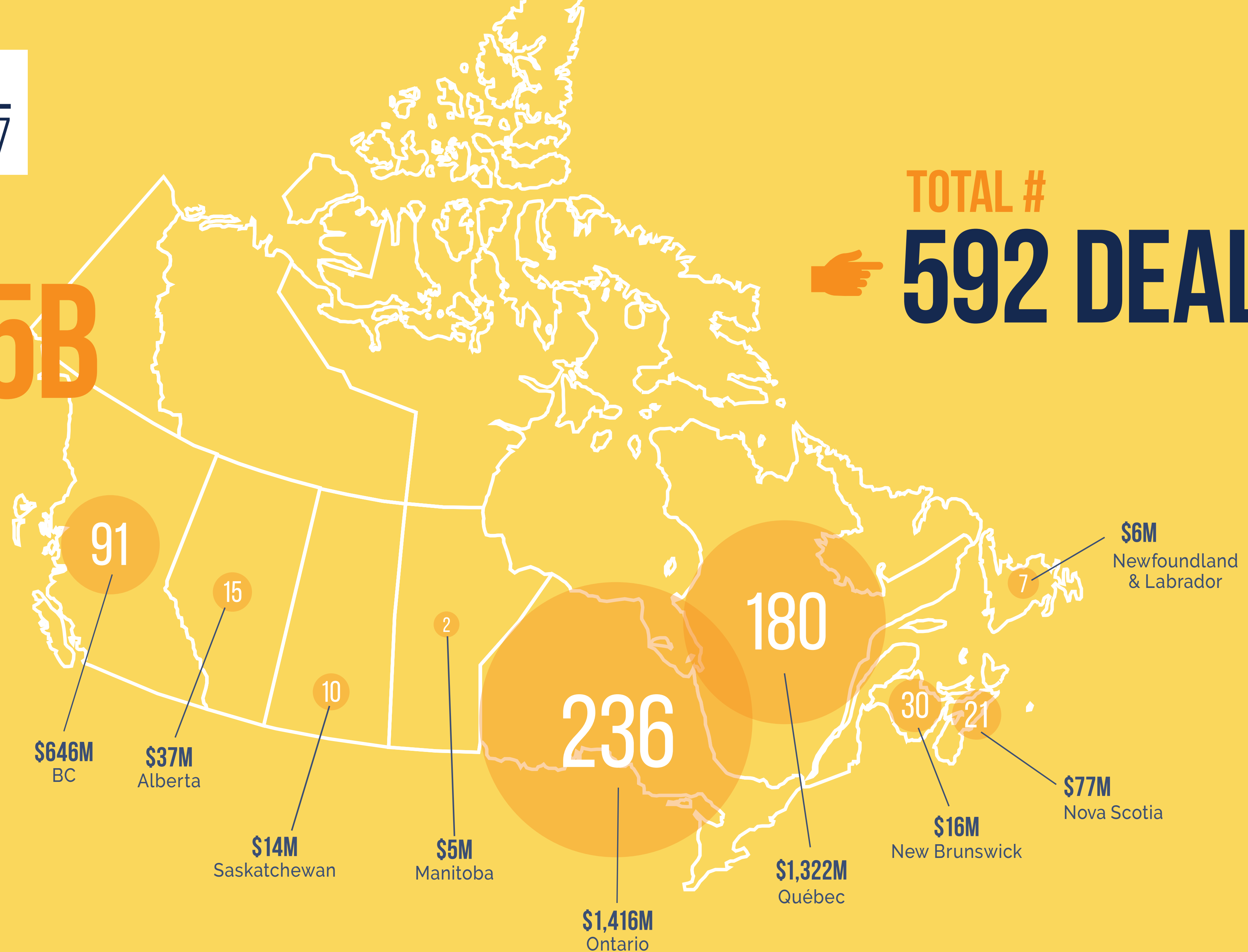
Key Findings:

- ▶ \$739M was invested over 153 deals in the fourth quarter. This brings the total invested in 2017 to \$3.5B over 592 deals, surpassing both last year's deal count (534) and total invested (\$3.2B) by 11%.
- ▶ The average deal size (\$5.98M) remains unchanged from last year's high-water mark since 2013 (\$5.19M).
- ▶ The top 10 VC deals accounted for 27% of total dollars disbursed in 2017, slightly below the 31% share of 2016 dollars invested.
- ▶ Building on the 10 \$50M+ mega-deals (including four \$100M+ deals) from the previous year, the ecosystem is continuing to attract larger rounds in later stages, underlining the quality of maturing Canadian start-ups. In 2017, there were a record number of \$50M+ mega-deals (15), including 3 deals over \$100M in the following Quebec-based companies:
 - ▶ Montreal-based **Lightspeed POS Inc.** raised a record \$207M Series D round from a syndicate including CVCA members **Caisse de dépôt et placement du Québec (CDPQ)**, **iNovia Capital Inc.** and **Teralys Capital**.
 - ▶ **Real Ventures** participated in Montreal-based **Element AI's** \$141M Series A round
 - ▶ Quebec City-based **LeddarTech** closed its \$128M series C round from **Fonds de solidarité FTQ**.
- ▶ Activity in the smaller end of the deal spectrum was robust, illustrating strong support for entrepreneurs at very early stages:
 - ▶ There were 162 small deals (<\$500k), 33% more than last year (122). These deals averaged \$200K.
 - ▶ There were 183 deals between \$1M-\$5M (totalling \$468M), 6% more than the 172 deals (totalling \$362M) in 2016. The average deal size in this category increased 22% from \$2.1M to \$2.6M.
- ▶ \$1.4B or 40% of dollars invested this year were in Ontario-based companies with 37% (\$1.3B) going to Quebec-based companies and 18% (\$646M) to BC-based companies.
- ▶ Montreal-based companies received 28% (\$983M over 132 deals) of total dollars disbursed, with Toronto-based companies receiving a 26% share (\$907M over 146 deals) and Vancouver-based companies a 14% share (\$513M over 77 deals).
- ▶ ICT companies grabbed the lion's share (71%) of total dollars invested in 2017 (\$2.5B over 375 deals); this compares to a 61% share in 2016, 58% in 2015, 64% in 2014 and 56% in 2013.
- ▶ Life sciences companies received a fifth of dollars invested (\$696M over 105 deals) which is only just below the 23% share from 2016 (\$733M over 104 deals).
- ▶ The market for exits rebounded from last year's slump with 39 exits totalling \$1.7B (compared to only 33 exits totalling \$0.6B in 2016). Exits greater than \$100M included:
 - ▶ The \$392M acquisition of Montreal-based **Luxury Retreats** by **Airbnb**.
 - ▶ \$301M take-private acquisition of TSX Venture-listed **TIO Networks** by **Paypal**.
 - ▶ Montreal-based **Clementia Pharmaceuticals** IPO which raised \$174M (NASDAQ: CMTA)
 - ▶ Markham-based **Real Matters** IPO which raised \$157M (TSE: REAL)
 - ▶ The acquisition of Saint-Laurent-based **Accedian Networks** by **Bridge Growth Partners** for \$133M.

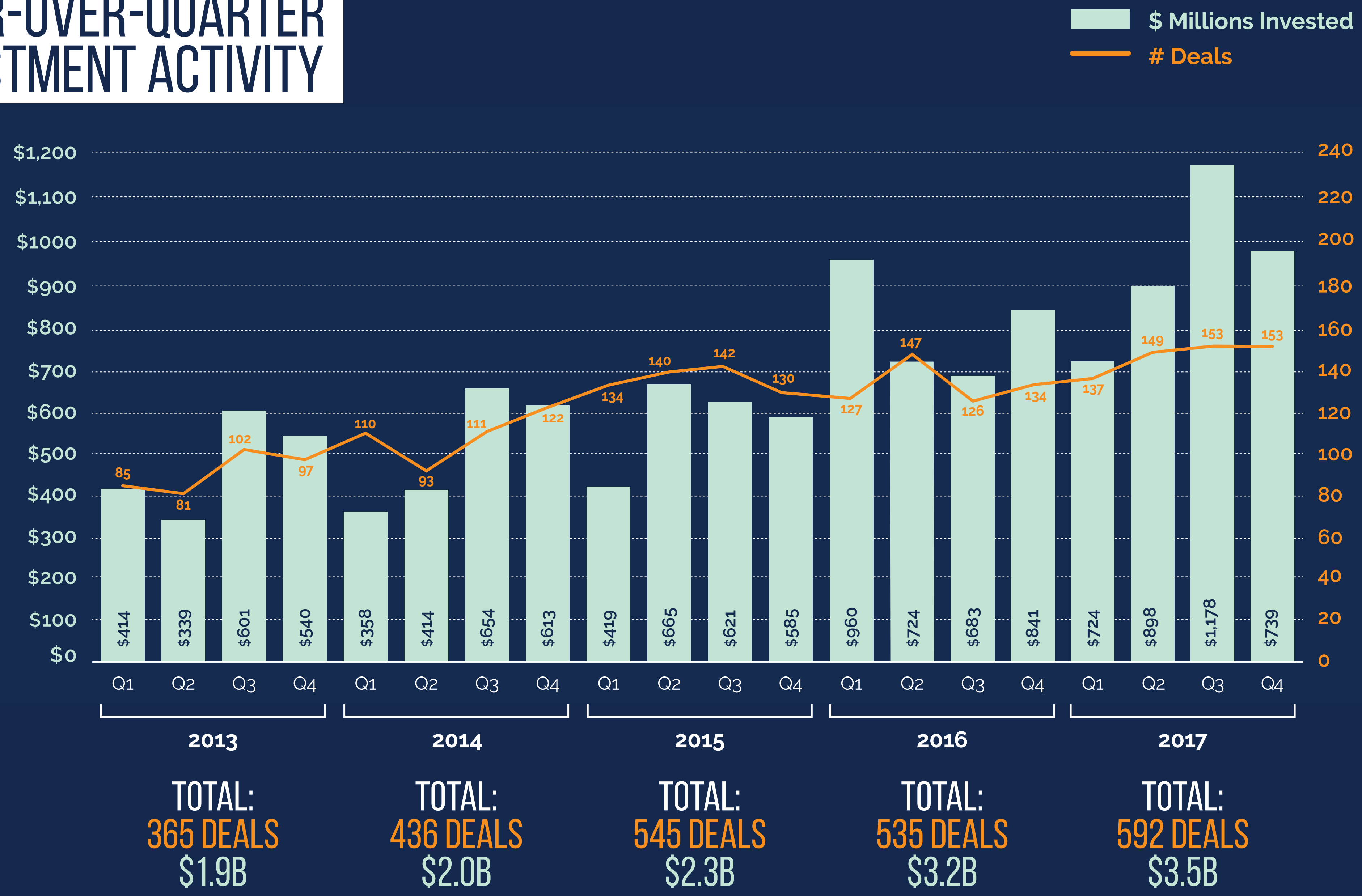
VENTURE CAPITAL HEAT MAP // 2017

TOTAL **\$3.5B**

TOTAL #
👉 **592 DEALS**

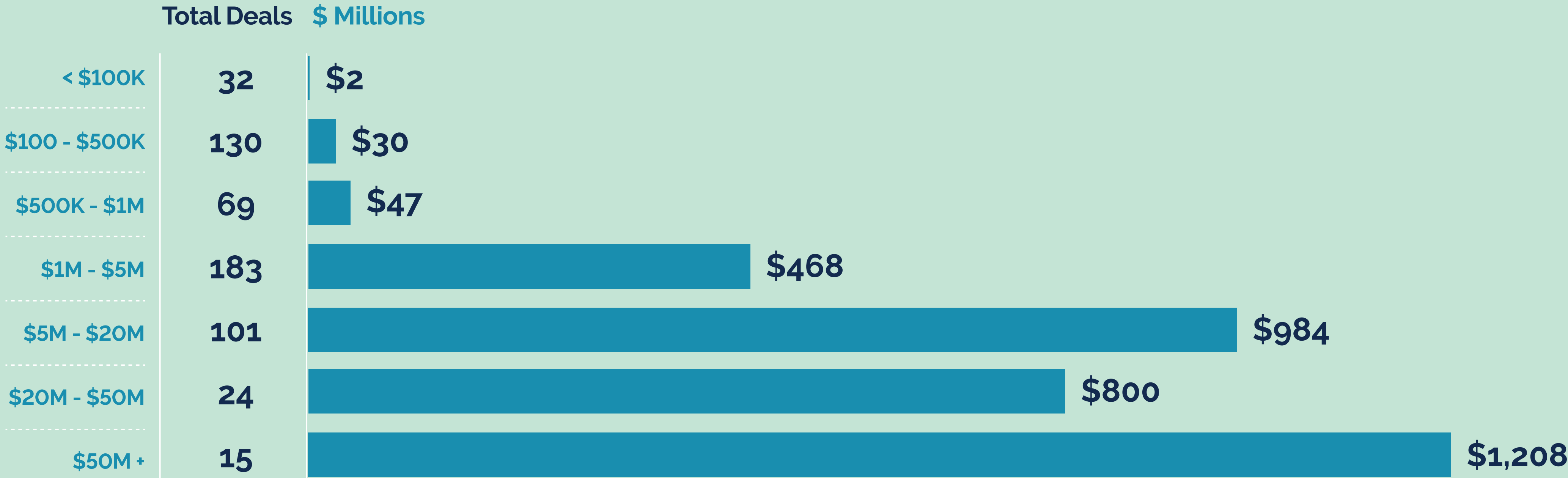


QUARTER-OVER-QUARTER VC INVESTMENT ACTIVITY



VC ACTIVITY BY
DEAL SIZE // 2017

➡ **15** GREATEST NUMBER OF
MEGA-DEALS
IN THE LAST 5 YEARS



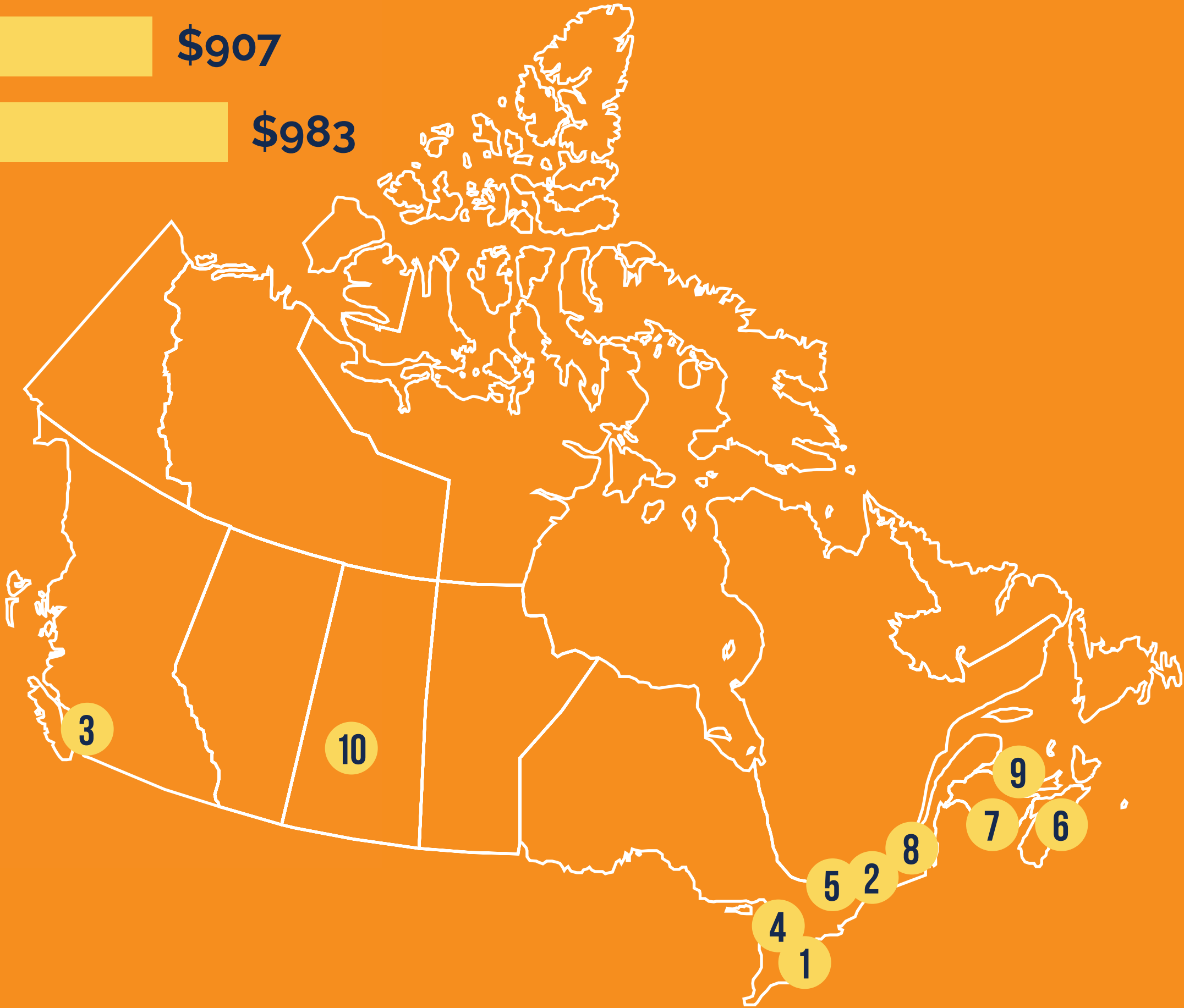
TOP DISCLOSED CANADIAN VC DEALS // 2017

| COMPANY NAME | PROVINCE | DISCLOSED VC FIRM(S) | SECTOR | STAGE | \$ MIL |
|--|----------|---|---------------|----------------|--------|
| LIGHTSPEED POS INC. | QUÉBEC | CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC (CDPQ), INOVIA CAPITAL INC., INVESTISSEMENT QUÉBEC, TERALYS CAPITAL | ICT | LATER STAGE VC | \$207 |
| ELEMENT AI INC. | QUÉBEC | BDC CAPITAL INC., DATA COLLECTIVE, FMR LLC (FIDELITY), HANWHA INVESTMENT CORP, INTEL CAPITAL, MICROSOFT VENTURES, NATIONAL BANK OF CANADA, NVIDIA CORPORATION, REAL VENTURES | ICT | EARLY STAGE VC | \$141 |
| LEDDARTECH INC. | QUÉBEC | FONDS DE SOLIDARITÉ FTQ | ICT | LATER STAGE VC | \$128 |
| REPARE THERAPEUTICS INC. | QUÉBEC | BDC CAPITAL INC., CELGENE EUROPEAN INVESTMENT CO. LLC, FONDS DE SOLIDARITÉ FTQ, FONDS RÉGIONAUX DE SOLIDARITÉ FTQ, VERSANT VENTURE MANAGEMENT, LLC | LIFE SCIENCES | EARLY STAGE VC | \$91 |
| VISION CRITICAL COMMUNICATIONS INC. | BC | DIFFERENCE CAPITAL FINANCIAL INC., GEORGIAN PARTNERS INC., KENSINGTON CAPITAL PARTNERS LIMITED, NORTHLEAF CAPITAL PARTNERS, OMERS VENTURES MANAGEMENT INC., RECAPHEALTH VENTURES, TELUS VENTURES, W CAPITAL PARTNERS, WELLINGTON FINANCIAL LP | ICT | LATER STAGE VC | \$76 |
| MILESTONE PHARMACEUTICALS INC. | QUÉBEC | BDC CAPITAL INC., DOMAIN ASSOCIATES, L.L.C., FONDS DE SOLIDARITÉ FTQ, FORBION CAPITAL PARTNERS, NOVO NORDISK A/S, PAPPAS VENTURES | LIFE SCIENCES | LATER STAGE VC | \$71 |
| VISIER INC. | BC | ADAMS STREET PARTNERS, LLC, FOUNDATION CAPITAL, SORENSON CAPITAL PARTNERS, SUMMIT PARTNERS | ICT | LATER STAGE VC | \$61 |
| IGLOO INC. | ONTARIO | FRONTIER CAPITAL, INFORMATION VENTURE PARTNERS INC. | ICT | EXITS - VC | \$60 |
| BORROWELL INC. | ONTARIO | EQUITABLE BANK, FIRSTONTARIO CREDIT UNION, PORTAG3 VENTURES, WHITE STAR CAPITAL INC. | ICT | EARLY STAGE VC | \$57 |
| FRESHBOOKS | ONTARIO | ACCOMPLICE, LLC, GEORGIAN PARTNERS INC., OAK INVESTMENT PARTNERS | ICT | EARLY STAGE VC | \$57 |

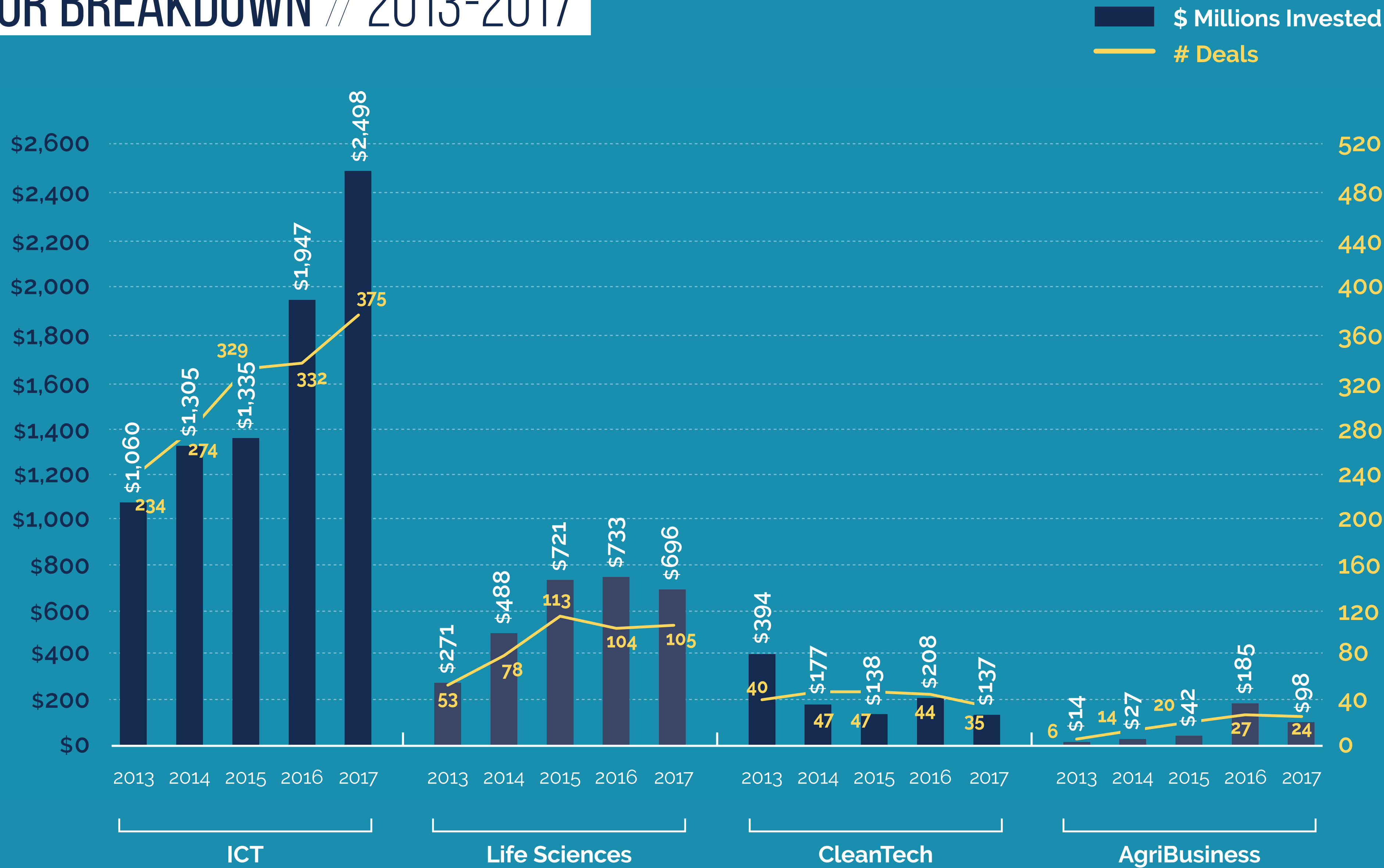
TOP 10 CANADIAN CITIES // ADMINISTRATIVE CENTRES // 2017

👉 #1 **TORONTO** **\$907M** **146 DEALS**

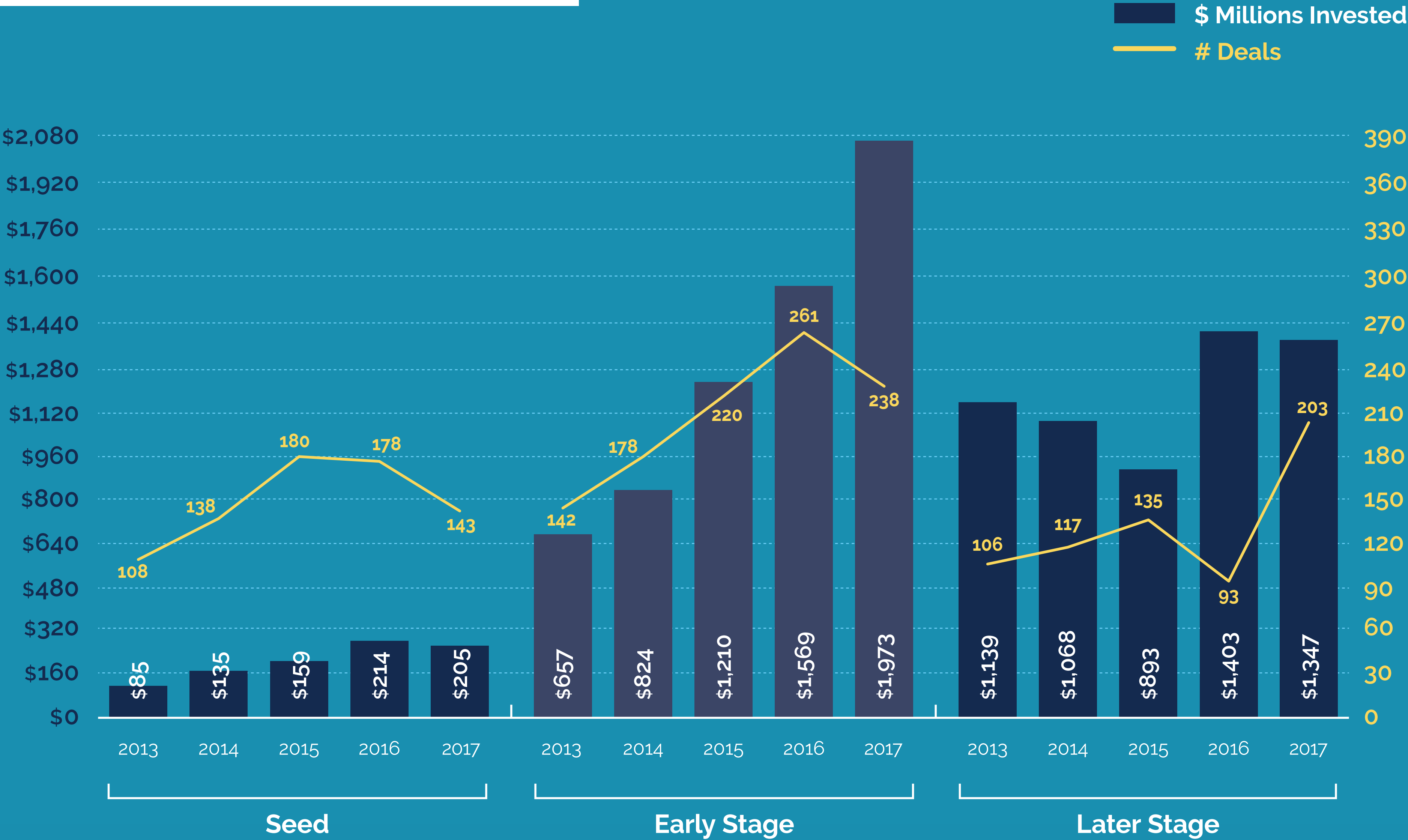
| | Total Deals | \$ Millions |
|-----------------------------------|-------------|-------------|
| 1. Toronto | 146 | \$907 |
| 2. Montréal | 132 | \$983 |
| 3. Vancouver | 77 | \$513 |
| 4. Kitchener, Waterloo, Cambridge | 37 | \$210 |
| 5. Ottawa | 21 | \$148 |
| 6. Halifax | 19 | \$68 |
| 7. Fredericton | 18 | \$11 |
| 8. Estrie | 11 | \$14 |
| 9. Moncton | 10 | \$5 |
| 10. Saskatoon | 10 | \$14 |



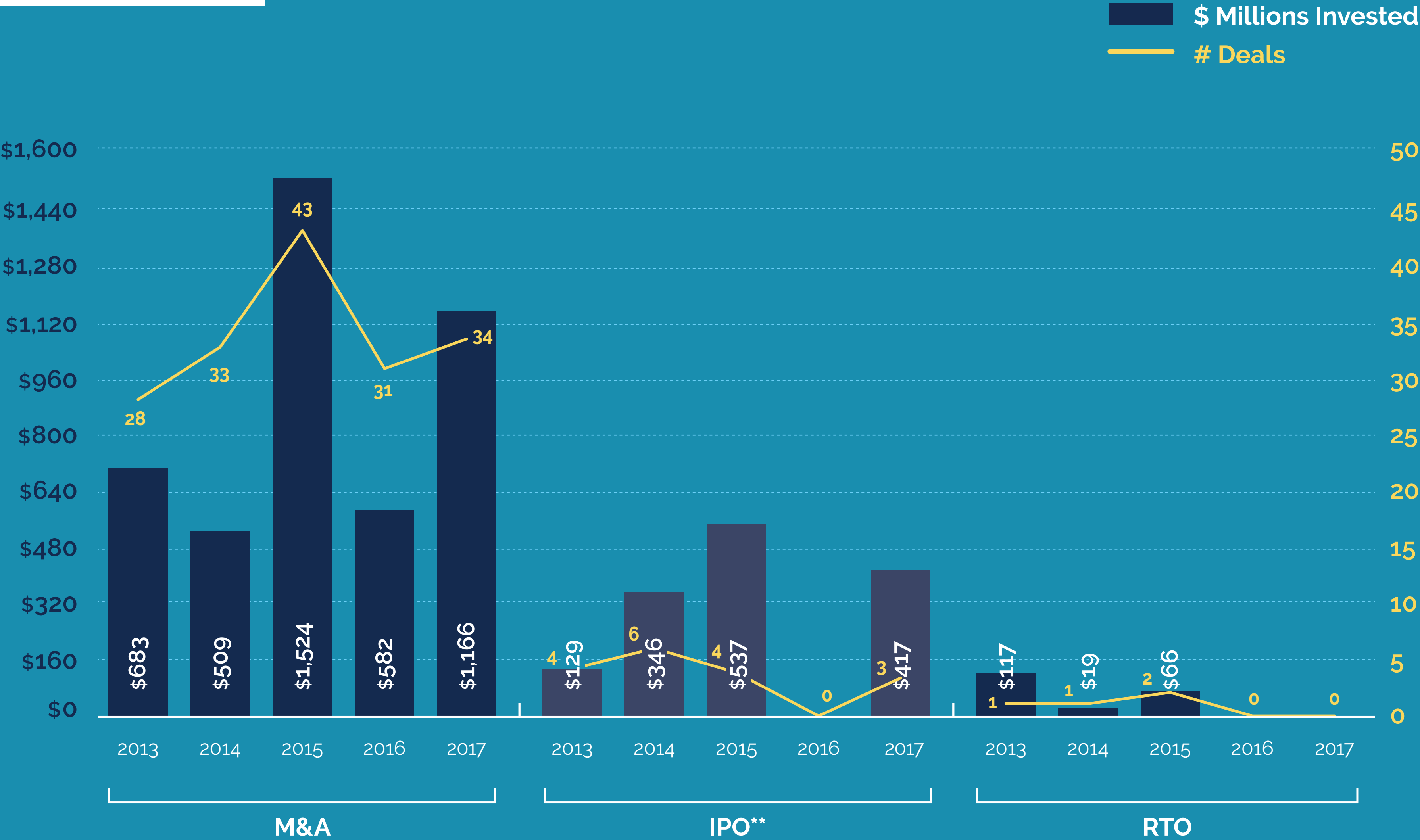
VC SECTOR BREAKDOWN // 2013-2017



VC STAGE BREAKDOWN // 2013-2017



VC EXITS* // 2013-2017



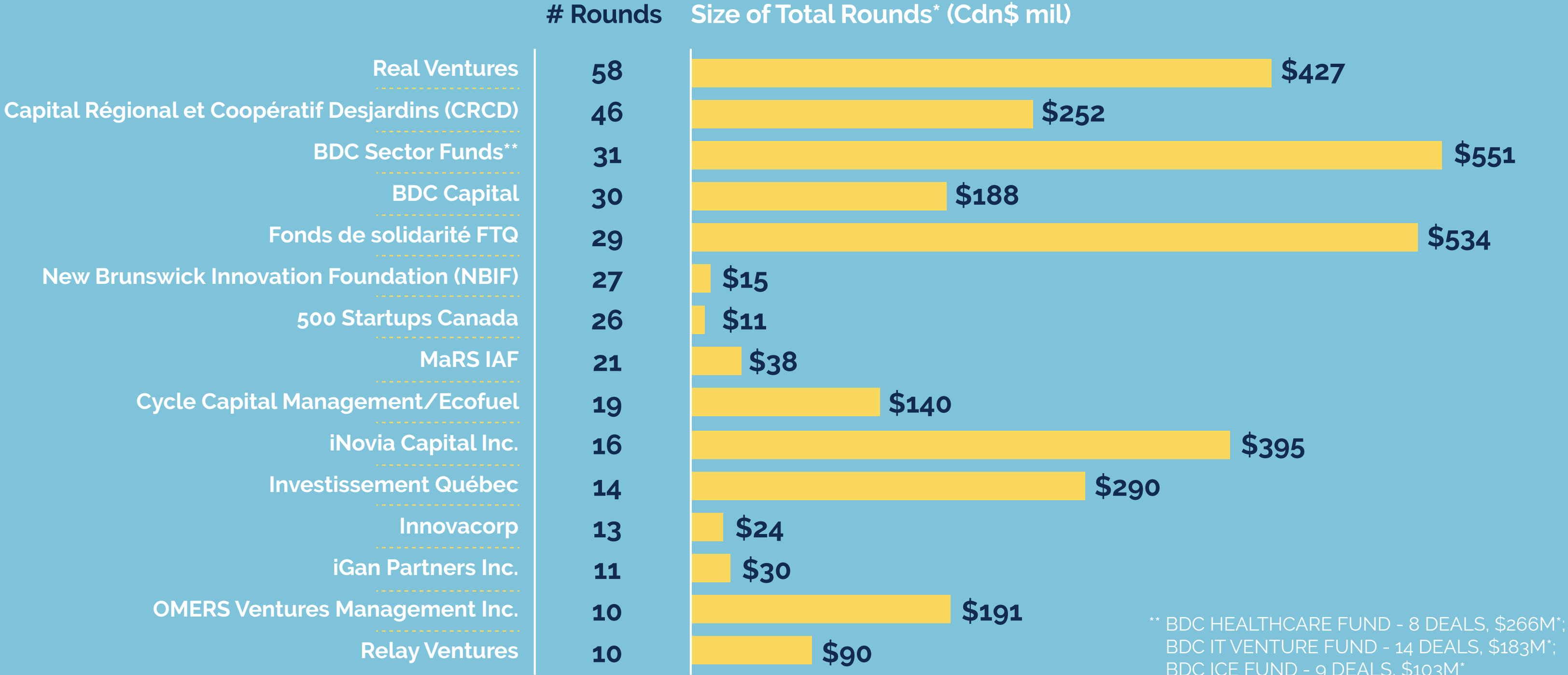
* INCLUDES TRANSACTIONS WITH UNDISCLOSED VALUES;
** IPO VALUATION

TOP DISCLOSED VC EXITS* // 2017

| VC INVESTORS | COMPANY NAME | SECTOR | EXIT TRANSACTION | ACQUIRED BY | \$ MIL. |
|---|-------------------------------------|---------------|------------------|------------------------------|---------|
| INOVIA CAPITAL, TERALYS CAPITAL, CLARIDGE, INTERMEDIA PARTNERS, GROUPE DYNAMITE | LUXURY RETREATS INTERNATIONAL INC. | ICT | M&A | AIRBNB | \$392 |
| CORE INNOVATION CAPITAL, EDISON PARTNERS, INDUCTIVE CAPITAL, INTER-ATLANTIC GROUP, NAPIER PARK FINANCIAL PARTNERS | TIO NETWORKS CORP. | ICT | M&A | PAYPAL | \$301 |
| KENSINGTON CAPITAL, WHITECAP VENTURE PARTNERS, RADAR CAPITAL, WELLINGTON FINANCIAL | REAL MATTERS INC. | ICT | IPO | NA | \$157 |
| FONDS DE SOLIDARITÉ FTQ, RHO CANADA VENTURES, SUMMIT PARTNERS, SKYPOINT CAPITAL CORPORATION | ACCEDIAN NETWORKS INC. | ICT | M&A | BRIDGE GROWTH PARTNERS | \$133 |
| BDC CAPITAL, LUMIRA CAPITAL, ELI LILLY AND COMPANY, CELGENE, CTI LIFE SCIENCES FUND, FONDS DE SOLIDARITÉ FTQ, PERCEPTIVE ADVISORS, TERALYS CAPITAL, NORTHLEAF VENTURE CATALYST FUND, BRACE PHARMA CAPITAL, MERLIN NEXUS, TVM LIFE SCIENCE MANAGEMENT INC. | ZYMEWORKS INC. | LIFE SCIENCES | IPO | NA | \$87 |
| KENSINGTON CAPITAL, NORTHLEAF CAPITAL, RECAPHEALTH VENTURES, DIFFERENCE CAPITAL, OMERS VENTURES, TELUS VENTURES, WELLINGTON FINANCIAL | VISION CRITICAL COMMUNICATIONS INC. | ICT | SECONDARY SALE | GEORGIAN PARTNERS, W CAPITAL | \$76 |
| INFORMATION VENTURE PARTNERS, ONTARIO CAPITAL GROWTH CORPORATION | IGLOO INC. | ICT | M&A | FRONTIER CAPITAL | \$60 |
| REAL VENTURES | VRVANA INC. | ICT | M&A | APPLE | \$38 |
| BDC CAPITAL, WESTCAP MANAGEMENT LTD., INVESTMENT SASKATCHEWAN | SOLIDO DESIGN AUTOMATION INC. | ICT | M&A | SIEMENS | \$14 |

* THERE WERE 3 UNDISCLOSED EXITS IN THE TOP 10 THAT WERE EXCLUDED FROM THIS TABLE

MOST ACTIVE VC FIRMS // FUNDS // 2017



** BDC HEALTHCARE FUND - 8 DEALS, \$266M*;
BDC IT VENTURE FUND - 14 DEALS, \$183M*;
BDC ICE FUND - 9 DEALS, \$103M*

| MOST ACTIVE PENSION, RETAIL, CORPORATE & OTHER PUBLIC FUNDS | # ROUNDS | SIZE OF TOTAL ROUNDS* (CDN\$ MIL) |
|---|----------|-----------------------------------|
| CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS (CRCD) | 46 | \$252 |
| FONDS DE SOLIDARITÉ FTQ | 29 | \$534 |
| OMERS VENTURES MANAGEMENT INC. | 10 | \$191 |
| FONDACTION CSN | 9 | \$19 |

| MOST ACTIVE VC DEBT FIRMS | # ROUNDS | SIZE OF TOTAL ROUNDS* (CDN\$ MIL) |
|--|----------|-----------------------------------|
| ESPRESSO CAPITAL LTD. | 84 | \$51 |
| CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS (CRCD) | 12 | \$2 |
| TIMIA CAPITAL CORP | 4 | \$3 |

| MOST ACTIVE PRIVATE INDEPENDENT FIRMS | # ROUNDS | SIZE OF TOTAL ROUNDS* (CDN\$ MIL) |
|---|----------|-----------------------------------|
| REAL VENTURES | 58 | \$427 |
| 500 STARTUPS CANADA | 26 | \$11 |
| CYCLE CAPITAL MANAGEMENT/ECOFUEL | 19 | \$140 |
| INOVIA CAPITAL INC. | 16 | \$395 |
| IGAN PARTNERS INC. | 11 | \$30 |
| RELAY VENTURES | 10 | \$90 |
| YALETOWN PARTNERS INC | 9 | \$40 |
| GOOD NEWS VENTURES | 8 | \$3 |
| TOP RENERGY INC. (TRE) | 8 | \$2 |
| PORTAG3 VENTURES | 7 | \$134 |
| LUMIRA CAPITAL INVESTMENT MANAGEMENT INC. | 7 | \$79 |
| SCALEUP VENTURES | 7 | \$34 |
| VANCOUVER FOUNDER FUND | 7 | \$15 |

| MOST ACTIVE GOVERNMENT FUNDS | # ROUNDS | SIZE OF TOTAL ROUNDS* (CDN\$ MIL) |
|--|----------|-----------------------------------|
| BDC CAPITAL | 30 | \$188 |
| NEW BRUNSWICK INNOVATION FOUNDATION (NBIF) | 27 | \$15 |
| MARS IAF | 21 | \$38 |
| INVESTISSEMENT QUÉBEC | 14 | \$290 |
| BDC IT VENTURE FUND | 14 | \$183 |
| INNOVACORP | 13 | \$24 |
| BDC INDUSTRIAL, CLEAN AND ENERGY TECHNOLOGY (ICE) VENTURE FUND | 9 | \$103 |
| BDC HEALTHCARE FUND | 8 | \$266 |

* TOTAL ROUND VALUES - INCLUDES ALL PARTICIPATING INVESTORS



PRIVATE EQUITY CANADIAN MARKET OVERVIEW // 2017

PRIVATE EQUITY HIGHLIGHTS // 2017

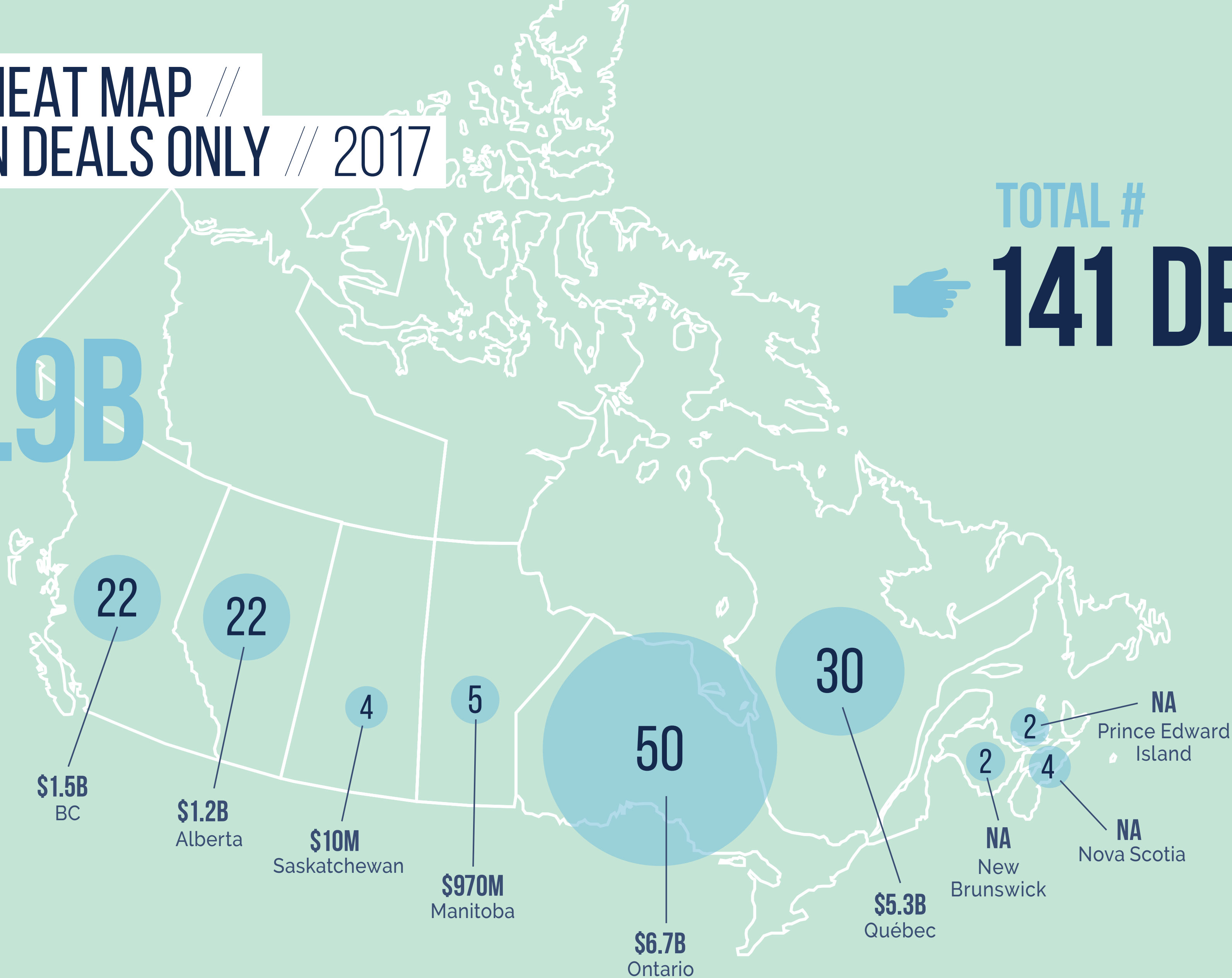
Key Findings:

- ▶ Private equity activity climbed 12% compared to the same quarter last year (\$4.2B to \$4.7B).
- ▶ This brings the total PE dollars invested in 2017 to \$26.3B over 603 deals, a 90% spike compared to the \$13.8B over 542 deals last year and a 15% increase over the 2015 total of \$22.9B over 425 deals.
- ▶ The number of \$500M+ deals almost doubled to \$15.7B (14 deals) accounting for 60% of total dollars invested in 2017 (compared to only \$7.1B (7 deals) in 2016). These included the following three \$1B+ mega-deals:
 - ▶ The \$4.8B privatization of Toronto-based **DH Corporation**, the \$2.2B acquisition of Montreal-based **Garda World Security Corp.** and the \$1.1B private placement in Montreal-based **Osisko Gold Royalties Ltd.** by **Caisse de dépôt et placement du Québec (CDPQ)** and **Fonds de solidarité FTQ**.
- ▶ Deal activity in all small-to-mid market segments have exceeded last year's totals:
 - ▶ 66 deals between \$25M-\$100M have surpassed the 2016 total (49) by 35% with a total value of \$3.2B.
 - ▶ 28 deals between \$100M-\$500M have doubled the 2016 total (14) with a total value of \$5.9B.
- ▶ 15% (89 deals totalling \$6.7B) of all PE deals went to Montreal-based companies, with Calgary- and Montérégie-based companies each receiving a 9% share (54 deals totalling \$3.1B and 53 deals totalling \$0.5B respectively). Toronto-based companies received a 7% share of deal flow (44 deals totaling \$5.4B).
- ▶ Almost a fifth (19%) of PE deals this year have been closed in the industrial & manufacturing sector with ICT companies receiving the second largest share (16%); both these sectors have been receiving a steadily increasing share of PE deal flow since 2013 when industrial & manufacturing captured only a 14% share and ICT a 10% share. Inversely, the oil and gas sector deal flow share has dropped from 19% in 2013 to 7% in 2017.
- ▶ Six IPOs including the \$445M dual listing of the iconic **Canada Goose** on (TSE/NYSE: GOOS), the \$300M TSX-debut of **Jamieson Laboratories Ltd** (TSE: JWEL), the \$200M IPO of Neo Performance Materials (TSE: NEO) and the \$200M IPO of **Roots Corp** (TSE: ROOT).
- ▶ There have been more than twice the number of PE exits (149) compared to 65 last year.
 - ▶ Secondary buyouts have contributed to almost half (46%) of the \$7.4B in total exit value.

PRIVATE EQUITY HEAT MAP //
BUYOUT & ADD-ON DEALS ONLY // 2017

TOTAL #
141 DEALS

TOTAL \$15.9B

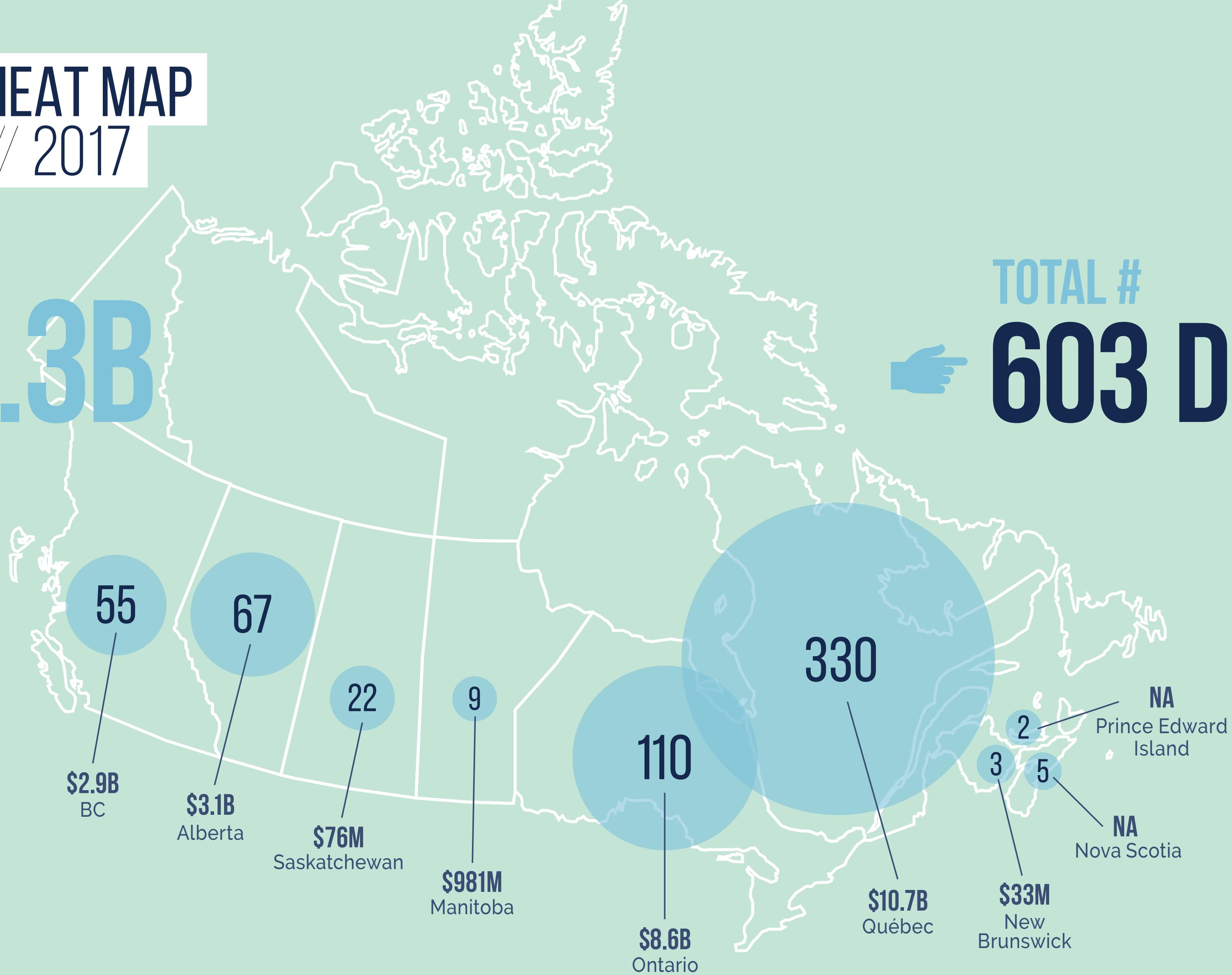


PRIVATE EQUITY HEAT MAP

// ALL PE DEALS // 2017

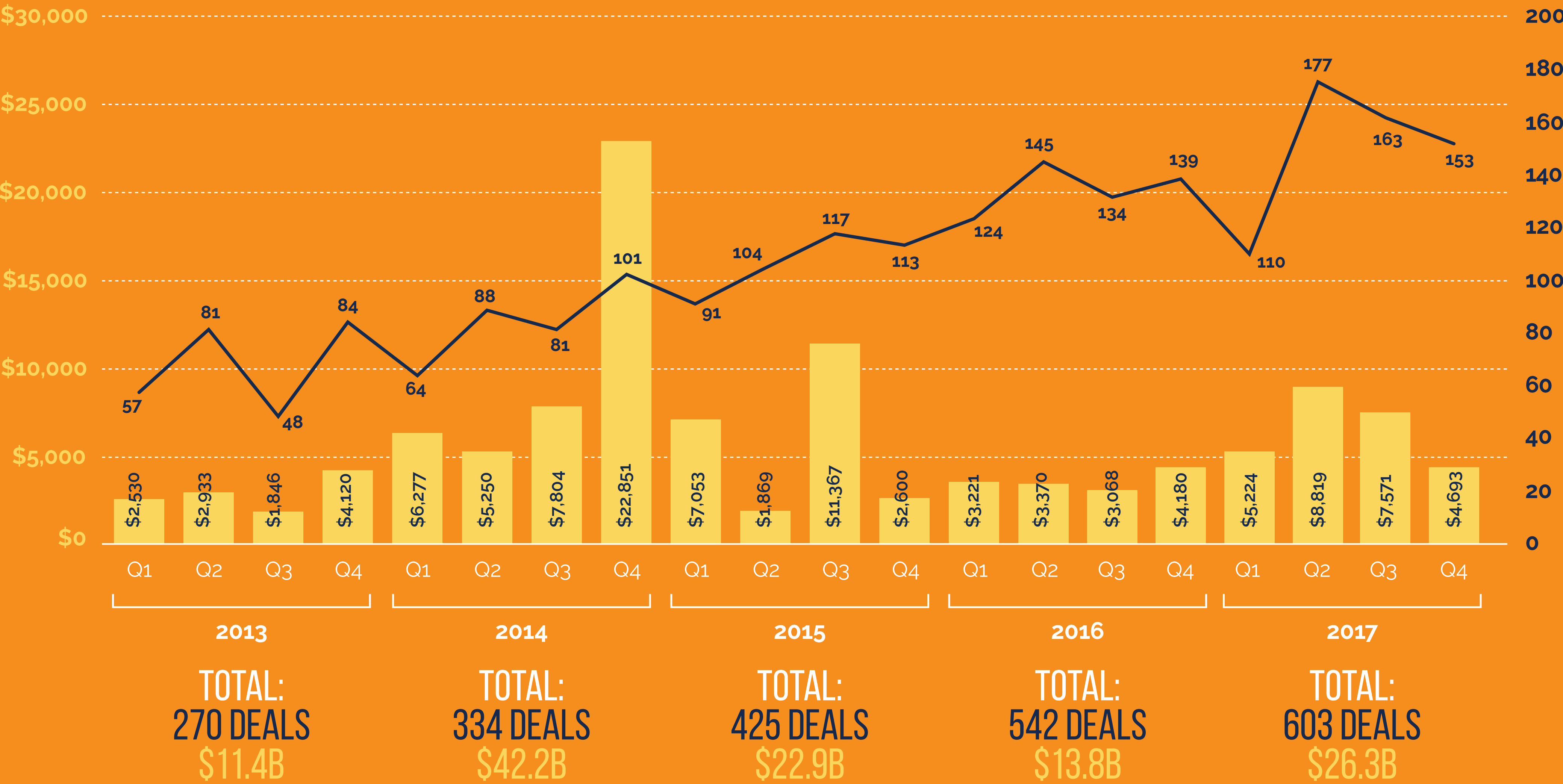
TOTAL **\$26.3B**

TOTAL #
603 DEALS



QUARTER-OVER-QUARTER PE INVESTMENT ACTIVITY

 \$ Millions Invested
 # Deals

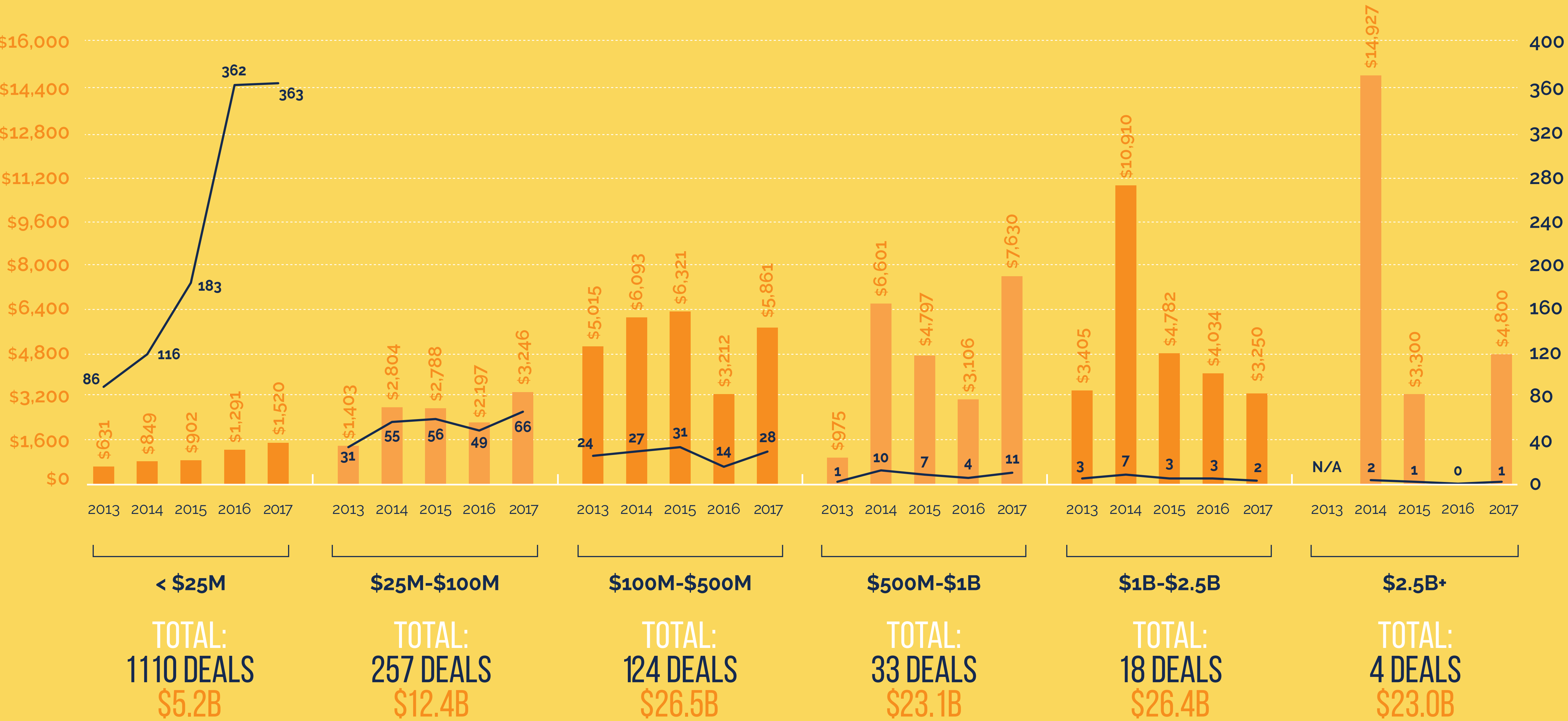


TOP DISCLOSED CANADIAN PE DEALS OVER \$500M // 2017

| COMPANY NAME | PROVINCE | FIRMS INVOLVED IN TRANSACTION | SECTOR | \$ MIL. |
|-------------------------------|----------|---|------------------------------|---------|
| DH CORPORATION (D+H) | ONTARIO | VISTA EQUITY PARTNERS | BUSINESS PRODUCTS & SERVICES | \$4,800 |
| GARDA WORLD SECURITY CORP. | QUÉBEC | APAX PARTNERS LLP, RHÔNE GROUP LLC | OTHERS | \$2,200 |
| OSISKO GOLD ROYALTIES LTD. | QUÉBEC | CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC (CDPQ), FONDS DE SOLIDARITÉ FTQ | MINING & RESOURCES | \$1,050 |
| TEEKAY OFFSHORE PARTNERS L.P. | BC | BROOKFIELD ASSET MANAGEMENT INC., TEEKAY OFFSHORE PARTNERS L.P. | OIL & GAS, POWER | \$938 |
| CANAM GROUP INC. | QUÉBEC | AMERICAN INDUSTRIAL PARTNERS (AIP), CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC (CDPQ) | INDUSTRIAL & MANUFACTURING | \$890 |
| ARCTIC GLACIER HOLDINGS INC. | MANITOBA | H.I.G. CAPITAL, LLC, THE CARLYLE GROUP | CONSUMER & RETAIL | \$723 |
| CQ ENERGY PARTNERSHIP | ALBERTA | CAN-CHINA GLOBAL RESOURCES FUND, MERCURIA ENERGY TRADING S.A., MIE HOLDINGS CORPORATION | OIL & GAS, POWER | \$722 |
| ALIMENTATION COUCHE-TARD INC. | QUÉBEC | CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC (CDPQ) | CONSUMER & RETAIL | \$700 |
| HUDSON'S BAY COMPANY | ONTARIO | RHÔNE GROUP LLC | CONSUMER & RETAIL | \$638 |
| OLD PSG WIND-DOWN LTD. | BC | ANTARAS CAPITAL, L.P., FAIRFAX FINANCIAL HOLDINGS LIMITED | CONSUMER & RETAIL | \$575 |
| LUNDIN GOLD INC. | BC | BLACKSTONE GROUP L.P., ORION RESOURCE PARTNERS (USA) LP | MINING & RESOURCES | \$572 |
| SANDVINE INC. | ONTARIO | FRANCISCO PARTNERS | ICT | \$562 |
| LOBLAW GAS STATION BUSINESS | ONTARIO | BROOKFIELD ASSET MANAGEMENT INC., BROOKFIELD BUSINESS PARTNERS LP | CONSUMER & RETAIL | \$540 |

PE ACTIVITY BY DEAL SIZE // 2017

\$ Millions Invested
Deals

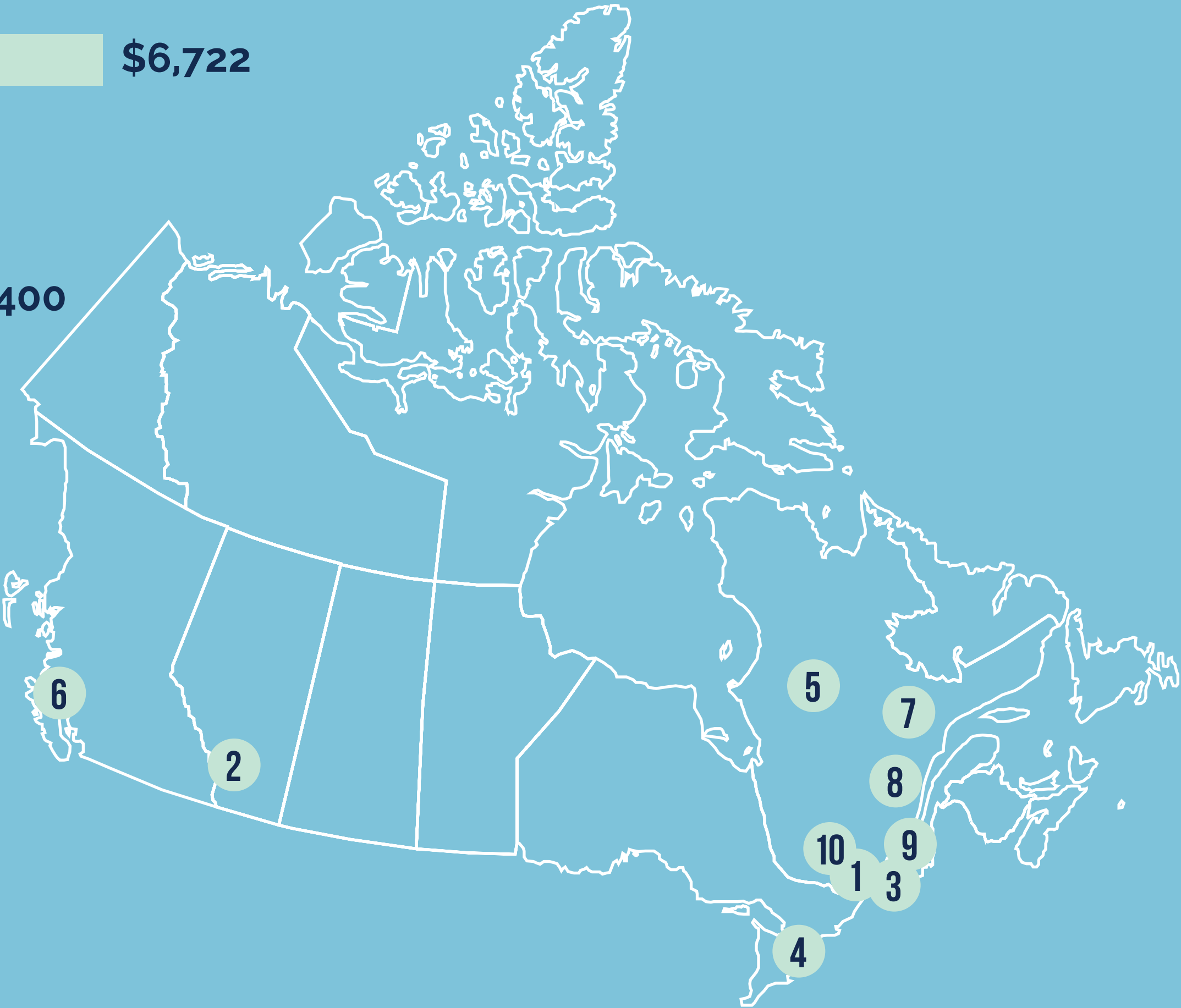


TOP 10 CANADIAN CITIES // ADMINISTRATIVE CENTRES // 2017

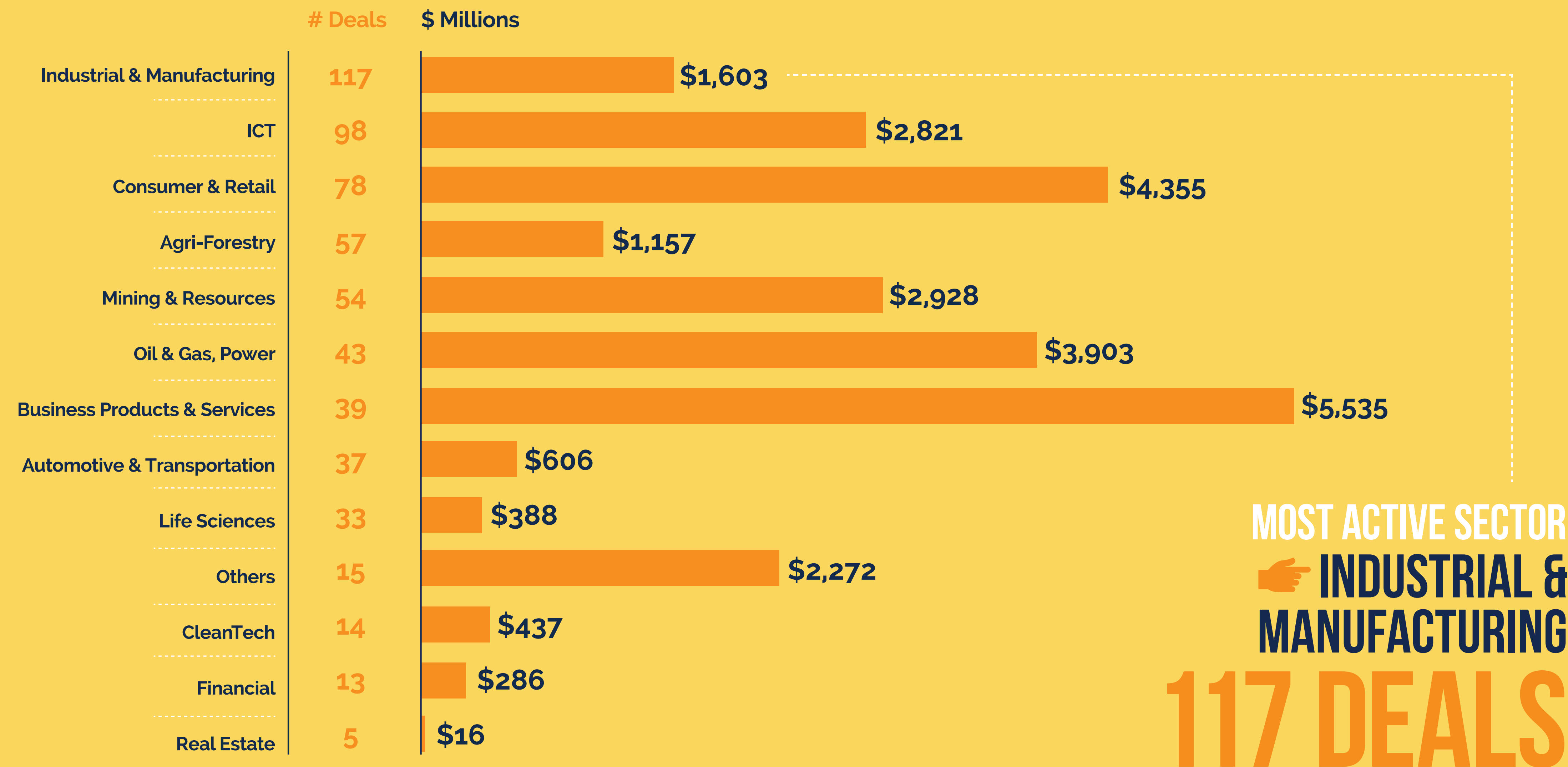
👉 #1 MONTRÉAL \$6.7B 89 DEALS

Total Deals \$ Millions

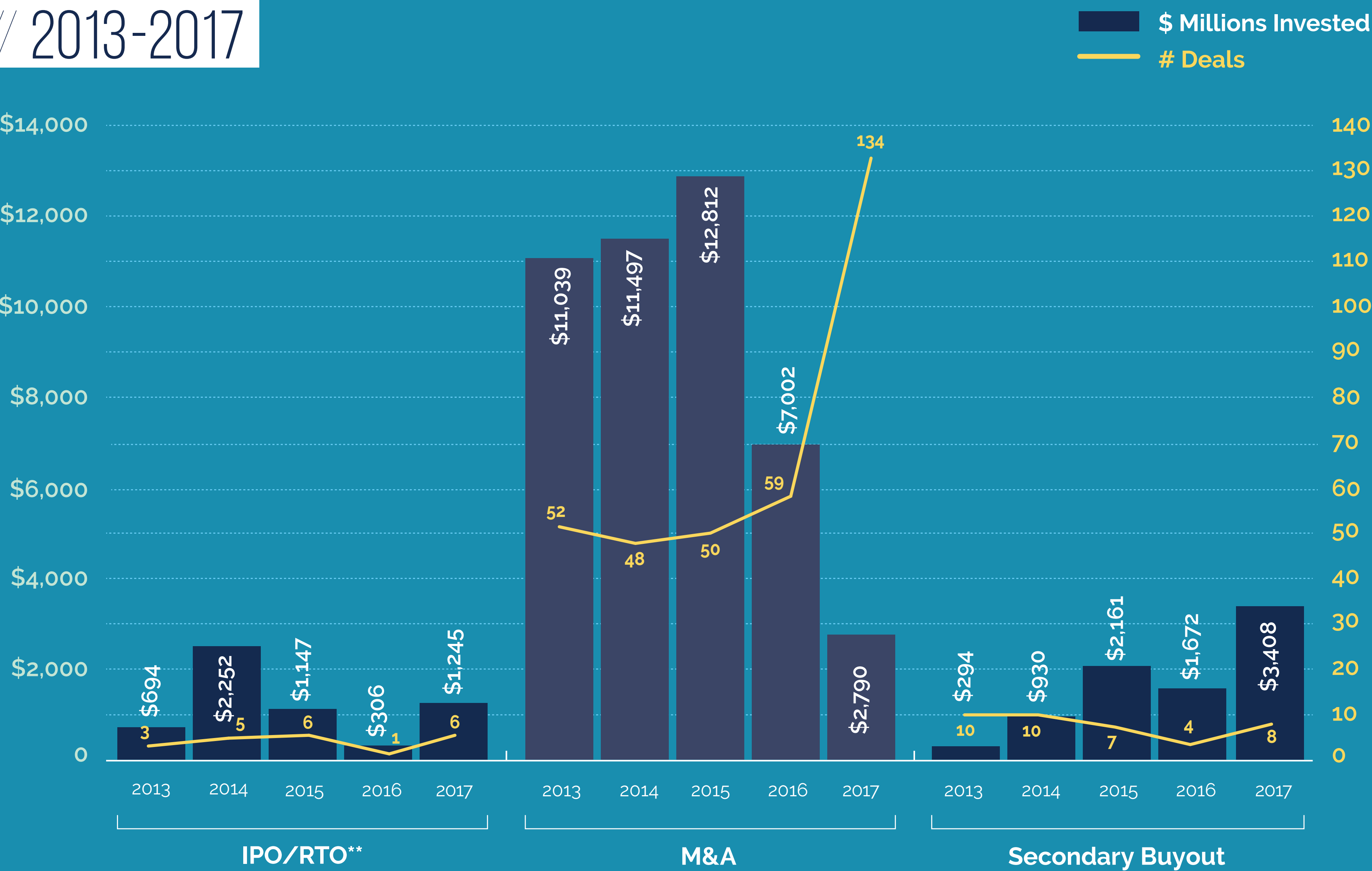
| | | |
|---|----|---------|
| 1. Montréal | 89 | \$6,722 |
| 2. Calgary | 54 | \$3,053 |
| 3. Moncton | 53 | \$533 |
| 4. Toronto | 44 | \$5,400 |
| 5. Nord-du-Québec / Abitibi-Témiscamingue | 33 | \$263 |
| 6. Vancouver | 33 | \$2,883 |
| 7. Québec | 28 | \$267 |
| 8. Saguenay-Lac-St-Jean / Côte-Nord | 18 | \$59 |
| 9. Chaudière-Appalaches | 15 | \$1,037 |
| 10. Laval | 15 | \$941 |



PE SECTOR BREAKDOWN // 2017



PE EXITS* // 2013-2017



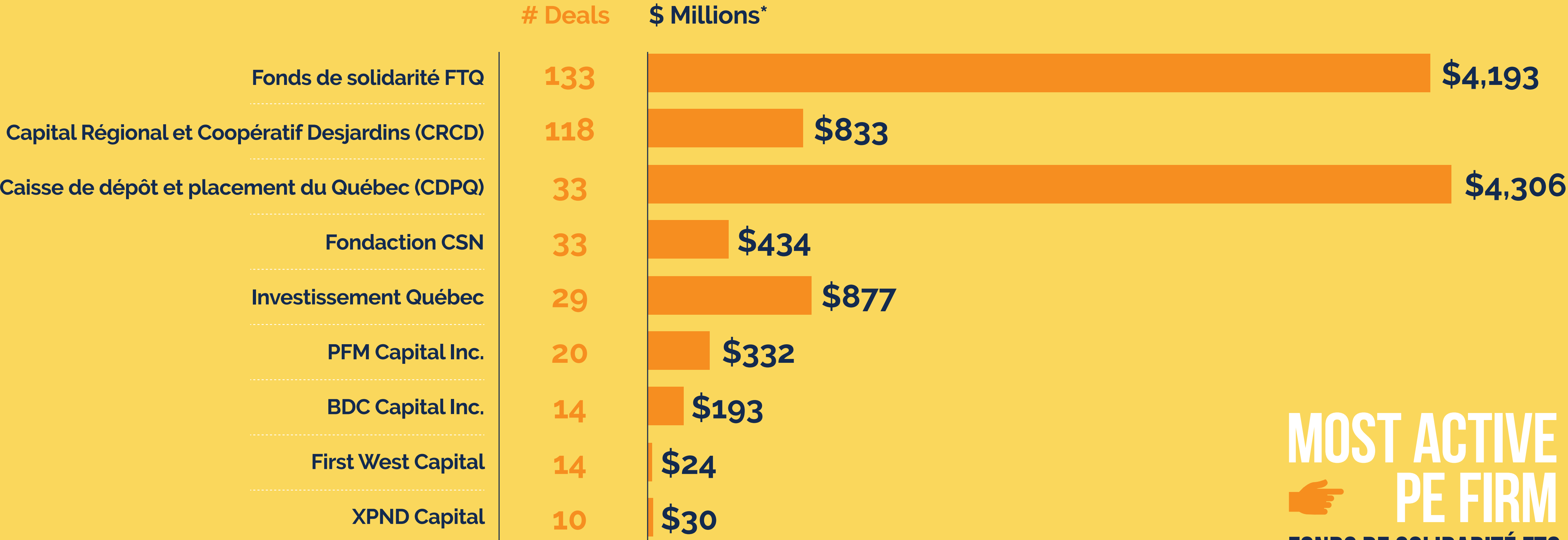
* INCLUDES TRANSACTIONS WITH UNDISCLOSED VALUES;
** IPO VALUATION

TOP 10 DISCLOSED CANADIAN PE EXITS // 2017

#1 BOUGHT BY **RHONE CAPITAL** **\$2,200M**
GARDA WORLD SECURITY CORP.

| SELLER | COMPANY NAME | BUYER | MIL |
|---|---|-------------------------------|---------|
| APAX PARTNERS LLC | GARDA WORLD SECURITY CORP. | RHONE CAPITAL | \$2,200 |
| H.I.G. CAPITAL, LLC | ARCTIC GLACIER HOLDINGS INC. | CARLYLE PARTNERS LP | \$723 |
| MILESTONE PARTNERS LLC | PRECISION PARTNERS HOLDING CO. | AK STEEL CORP. | \$457 |
| BAIN CAPITAL | CANADA GOOSE, INC. | NA - IPO ON TSX & NYSE | \$445 |
| EDGESTONE CAPITAL PARTNERS, BREGAL CAPITAL, PINE BROOK PARTNERS, SOROS STRATEGIC PARTNERS | AURIGEN CAPITAL LIMITED | PARTNERRE | \$375 |
| CCMP CAPITAL ADVISORS LLC | JAMIESON LABORATORIES LTD. | NA - IPO ON TSX | \$300 |
| CLAIRVEST GROUP INC. | CRS CONTRACTORS RENTAL SUPPLY LIMITED PARTNERSHIP | SUNBELT RENTALS OF CANADA INC | \$275 |
| RIVERSTONE HOLDINGS AND NGP ENERGY CAPITAL MANAGEMENT | NORTHERN BLIZZARD RESOURCES INC. | WATEROUS ENERGY FUND (WEF) | \$244 |
| ARC FINANCIAL CORP. | UGR BLAIR CREEK LTD. | PAINTED PONY PETROLEUM LTD. | \$224 |
| OAKTREE CAPITAL GROUP LLC | NEO PERFORMANCE MATERIALS | NA - SALES OF SHARES ON TSX | \$200 |

MOST ACTIVE PE INVESTORS // 2017



MOST ACTIVE
PE FIRM
FONDS DE SOLIDARITÉ FTQ
133 DEALS

* TOTAL DEAL VALUES – INCLUDES ALL PARTICIPATING INVESTORS

Venture Capital Data:

Verified completed equity or quasi-equity venture capital deals only (non-equity or project-based government funding, pharmaceutical development deals, senior debt, venture capital-backed acquisitions, and angel financing are not included)

| VC DEVELOPMENT STAGES | |
|-----------------------|--|
| SEED STAGE | COMPANY HAS A CONCEPT OR PRODUCT UNDER DEVELOPMENT, BUT IS PROBABLY NOT FULLY OPERATIONAL. |
| EARLY STAGE | COMPANY HAS A PRODUCT OR SERVICE IN TESTING OR PILOT PRODUCTION. IN SOME CASES, THE PRODUCT MAY BE COMMERCIALY AVAILABLE. |
| LATER STAGE | PRODUCT OR SERVICE IN PRODUCTION AND COMMERCIALY AVAILABLE. COMPANY IS GENERATING ON-GOING REVENUE, BUT NOT NECESSARILY, PROFITABLE. |

| VC SECTORS | |
|---------------|---|
| ICT | COMPUTER HARDWARE AND SOFTWARE AND SERVICES, INTERNET SOFTWARE OR SERVICES, ECOMMERCE, ELECTRONIC & SEMICONDUCTOR, MOBILE AND TELECOM TECHNOLOGIES AND SERVICES |
| LIFE SCIENCES | BIOTECH, MEDICAL DEVICES, PHARMACEUTICALS, EHEALTH, HEALTHCARE PRODUCTS AND SERVICES, AND OTHER MEDICAL RELATED PRODUCTS AND SERVICES |
| CLEANTECH | ENERGY AND FUEL TECHNOLOGIES, EFFICIENCY AND CONSERVATION, RENEWAL ENERGY, ENVIRONMENTAL TECHNOLOGIES AND OTHER ENERGY AND ENVIRONMENTAL PRODUCTS AND SERVICES |
| AGRIBUSINESS | TRADITIONAL AND ADVANCED AGRICULTURAL TECHNOLOGIES AND SERVICES |

Private Equity Data:

Dataset includes only completed private equity deals (announced but yet to be completed deals are not included)

| PE DEAL TYPE | |
|----------------|--|
| BUYOUT | INVESTMENT FOR THE CONTROL OF A PORTFOLIO COMPANY, INCLUDING PLATFORM CREATION, SECONDARY BUYOUT |
| GROWTH | SIGNIFICANT MINORITY INVESTMENT INTO A PORTFOLIO COMPANY, THROUGH NEW CAPITAL INFUSION AND RECAPITALIZATION |
| ADD-ON | CORPORATE ACQUISITIONS BY MAJORITY CONTROLLED PE BACKED PORTFOLIO COMPANIES |
| DEBT | DEBT INVESTMENT INTO PORTFOLIO COMPANIES |
| INFRASTRUCTURE | INVESTMENTS INTO DEVELOPMENT AND MANAGEMENT OF INFRASTRUCTURE ASSETS BUT PE DOES NOT OWN THE UNDERLYING ASSETS |

| PE SECTORS | |
|------------------------------|--|
| AGRI-FORESTRY | AGRICULTURE, FOODS AND FORESTRY |
| AUTOMOTIVE & TRANSPORTATION | TRANSPORTATION, LOGISTICS AND RELATED SERVICES |
| BUSINESS PRODUCTS & SERVICES | BUSINESS PRODUCTS AND SERVICES |
| CLEANTECH | ENERGY AND FUEL TECHNOLOGIES, EFFICIENCY AND CONSERVATION, RENEWAL ENERGY, ENVIRONMENTAL TECHNOLOGIES AND OTHER ENERGY AND ENVIRONMENTAL PRODUCTS AND SERVICES |

CONTINUED ►

▶ CONTINUED

| PE SECTORS | |
|----------------------------|---|
| CONSUMER & RETAIL | CONSUMER PRODUCTS AND SERVICES, BRICK AND MORTAR RETAIL |
| FINANCIAL | FINANCIAL SERVICES |
| ICT | COMPUTER HARDWARE/SOFTWARE & SERVICES, INTERNET SOFTWARE & SERVICES, ECOMMERCE, ELECTRONIC & SEMICONDUCTOR, MOBILE & TELECOM AND SERVICES |
| INDUSTRIAL & MANUFACTURING | EQUIPMENT AND MATERIAL MANUFACTURING |
| LIFE SCIENCES | BIOTECH, MEDICAL DEVICES, PHARMACEUTICALS, EHEALTH, HEALTHCARE PRODUCTS AND SERVICES, AND OTHER MEDICAL RELATED PRODUCTS AND SERVICES |
| MINING & RESOURCES | NON OIL AND GAS NATURAL RESOURCES |
| OIL & GAS, POWER | OIL & GAS, POWER AND UTILITIES |
| REAL ESTATE | PROPERTY DEVELOPMENT AND MANAGEMENT |

CVCA ABOUT & CONTACT

To obtain estimates for additional custom InfoBase data reports please contact dpinto@cvca.ca

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DARRELL PINTO
Research Director

Darrell oversees all data related to Canadian private capital investments, exit and fundraising activities for the CVCA. Darrell has held senior positions at several global organizations including the Toronto Stock Exchange, Institutional Limited Partners Association, Thomson Reuters, Glaxosmithkline and the Interac Association. In between these, he also started his own successful management consulting company. He has worked in New York, London and Shanghai, but Toronto remains his favourite working city. He brings to the CVCA a passion for telling compelling stories with data. Darrell is currently on the board of a non-profit social housing in Peel, a member of Volunteer Toronto as well as an active volunteer with Woodgreen Community Services. He holds a BA in Philosophy/History from the University of Western Ontario and an MBA from the Rotman School of Management.

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Carolyn oversees all of the CVCA's communications and marketing efforts, which includes managing the Association's brand, coordinating media outreach programs, and managing the development of all online content and social media engagements. Carolyn also brings with her a background in journalism, and is keen on positioning the CVCA as the industry thought leader for all things private capital through informative and engaging content. Carolyn has a BA in Popular Culture and Communications from Brock University, a diploma in Journalism from Niagara College Canada, and an interdisciplinary Master of Arts degree in Communication Studies from Brock University.

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David executes research on venture capital and private equity deals within Canada. David is responsible for monitoring industry activity and maintaining the CVCA's Infobase by entering data, including investments, exits, deals and fundraising activities on a daily basis. David holds a BA in Philosophy and Psychology from the University of Toronto.

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ABOUT CVCA

The Canadian Venture Capital and Private Equity Association is the voice of Canada's venture capital and private equity industry. We are focused on improving the private capital ecosystem by broadening industry awareness and providing market research, networking, and professional development opportunities.

We also advocate on behalf of the industry to ensure sound public policy that encourages a favourable investment environment. The CVCA works alongside its members, who represent the vast majority of private capital firms in Canada, to improve the industry and drive innovation and growth.

For more information, visit cvca.ca

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