Canadian **Venture Capital** Market Overview

Q1 2025

OUR VISION

A thriving Canadian economy driven by private capital.

OUR MISSION

CVCA's mission is to help our members fuel the economy of the future by growing the businesses of today. We do this by supporting and connecting a vibrant private capital industry with advocacy, research, and education.

CVCA is also the nation's ultimate resource for data on Canadian private capital investments.

Contents

Message from the CEO

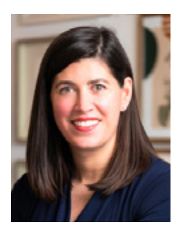
The first quarter of 2025 continues to reflect the evolving dynamics in Canadian venture capital. Total investment reached $1.26B across 116 deals, down from the previous quarter, but still indicative of sustained investor interest in later-stage companies. However, the persistent slowdown in pre-seed and seed-stage investments, now at levels not seen since 2020, is a signal we cannot ignore. These early investments are the pipeline for future growth. A weakening at the foundation threatens the innovation economy we've worked hard to build.

The absence of IPO activity and continued reliance on M&A for exits underscore the shift toward longer private company lifecycles. But the broader slowdown in exit activity also reflects growing hesitancy among buyers in a macroeconomic climate shaped by global trade tensions, tariffs, and supply chain uncertainty. While Canadian innovation continues to attract international interest, it's critical that the full lifecycle of capital formation is supported, from early-stage ideation to liquidity, even in a more cautious global environment.

As we release this report, Canada finds itself at a crossroads. The country's innovation economy is being tested, by policy uncertainty, capital access friction, and global competition for talent and investment. It's clear we need a more deliberate industrial strategy, one that aligns our public ambitions with private sector capabilities. CVCA is actively engaging on these fronts, advocating for policies that enable capital formation, support tech adoption, and make it easier for institutional capital to fuel Canadian innovation.

These conversations will be front and centre at Invest Canada '25, taking place May 27–29 in Calgary. It's the country's most important private capital event, and a key platform for senior private capital leaders. I hope you will join us.

KIM FURLONG
CEO
CANADIAN VENTURE CAPITAL &
PRIVATE EQUITY ASSOCIATION



About CVCA Intelligence

CVCA Intelligence is the most comprehensive source of Canadian private equity and venture capital data, powered by the Canadian Venture Capital and Private Equity Association (CVCA).

With features like the investor search function, CVCA Intelligence provides you with advanced, real-time access to the most up-to-date and comprehensive Canadian private capital data available, refreshed daily and is compatible with all major desktop and mobile browsers.

As a CVCA member, your organization receives a designated number of **CVCA Intelligence licenses**. If you haven't received access to CVCA Intelligence, contact the account owner of your organization's CVCA membership to find out how to gain access. If you still have issues, **please contact CVCA's membership team here.**

Non-members can enjoy unlimited monthly or discounted annual access to high-quality industry data and analysis by becoming CVCA Intelligence subscribers. **Become a CVCA Intelligence subscriber here.**

Access to high-quality data, analysis, and tools is central to our members and the industry's ability to operate in the dynamic private capital environment. We invite interested private capital organizations to join us in our efforts. If you would like to have your firm included in future reports, please complete this form linked **here.**

Q1 Highlights

The first quarter of 2025 saw $1.26B invested across 116 deals, matching the dollars invested in Q1 of 2023 and 2024, with fewer deals closed

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The largest disclosed deal in Q1 was raised by Montréal-based EV charging tech company dcbel, raising a $79M later-stage investment

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Exits in Q1 2025 experienced a sharp decline, with exit activity pacing lower than pre-pandemic

Q1 2025 has only seen 7 exits via M&A with no VC-Backed IPOs since 2023

Ontario, Quebec, and Alberta collectively accounted for 90% of all dollars invested and 76% of all deals closed in Q1, with over $1.1B deployed across 88 deals

With $140M invested, Alberta ranked third among provinces for VC activity in Q1 2025, surpassing British Columbia, which saw $80M invested during the same period

Five mega-deals ($50M+) closed in Q1 2025, representing $576M, or 46% of the quarter's total dollars invested

While experiencing a 26% drop in dollars invested and 17% drop in deals closed quarter-over-quarter, the impact of recent macroeconomic trends remains to be seen

Investment activity in the ICT sector has seen the highest levels invested in a first quarter since 2022

Excluding the outlier years of 2021 and 2022, Q1 2025 marks the highest level of first-quarter investment activity on record in the ICT sector

Average deal size in Q1 2025 increased by 22% year-over-year, rising from $8.94M in Q1 2024 to $10.89M, reflecting a shift toward larger transactions despite fewer deals closed

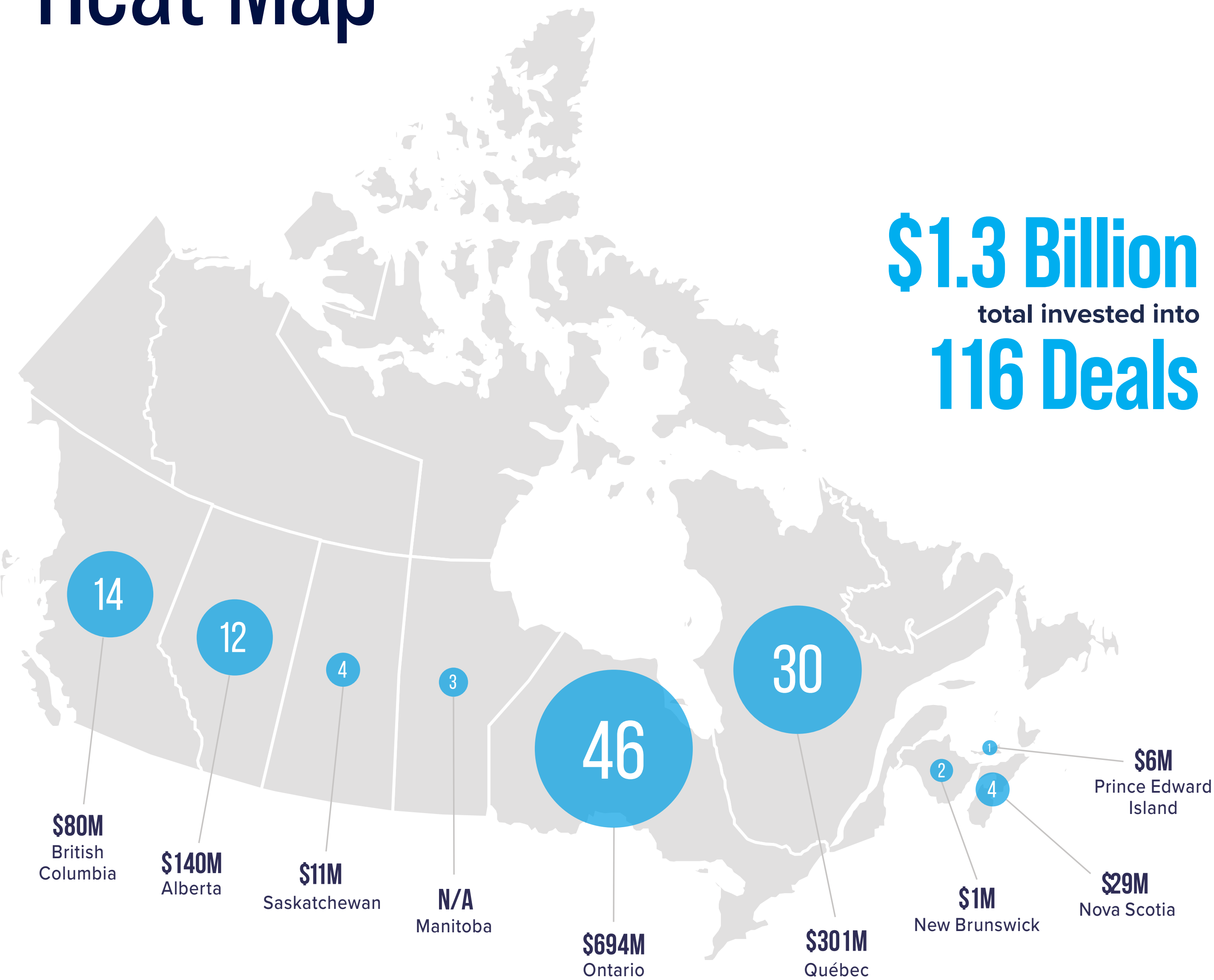
While total dollars invested in Q1 have remained relatively flat year-over-year over the past two years, the number of deals has declined by 21%, indicating a shift toward fewer, larger transactions

Pre-seed activity declined quarter-over-quarter, reaching the lowest level of dollars invested in a single quarter since 2021

Seed investment activity in Q1 2025 recorded the lowest number of deals closed in a quarter since 2020 and the third lowest level of dollars invested since 2021

Venture debt activity in Q1 2025 reached a notable level, with $283M deployed across 14 transactions

Venture Capital Heat Map



$1.3 Billion
total invested into
116 Deals

In Q1 2025, total venture capital investment reached $1.26B across 116 deals, with the majority of activity concentrated in Ontario and Quebec, which together accounted for 79% of all dollars invested and 66% of all deals closed.

Ontario led the quarter, securing $694M (55% of total dollars invested) across 46 deals (40% of all activity), followed by Quebec with $301M across 30 deals.

[Discover comprehensive Canadian VC data on CVCA Intelligence: deals, fundraising, exits and more.]

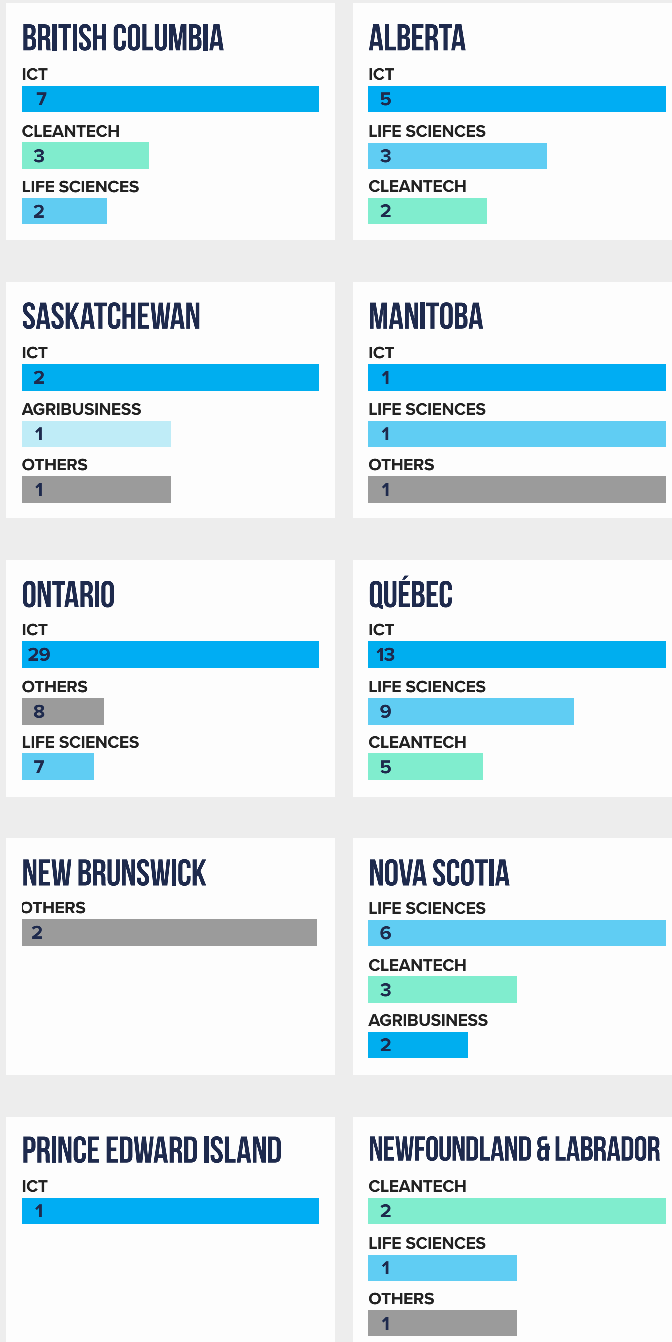
British Columbia ranked third by deal count, representing 12% of all transactions, with Alberta close behind at 10%. However, when measured by dollars invested, the order reverses: Alberta took third place with $140M (11%), while British Columbia followed with $80M (6%).

Notably, Alberta ranked second for average deal size at $11.69M, behind Ontario at $15.08M. This uplift reflects the presence of mega-deals (>$50M), as investors continue to concentrate capital in fewer, higher-value transactions.

A notable deal that closed this quarter was the [$52M Series C round] raised by [Nanoprecise Sci Corp], an AI-based predictive maintenance solution provider from Edmonton, AB. [Yaletown Partners] and [BDC Capital] led the equity portion of the deal with support from [BMO Capital Partners] and [Export Development Canada (EDC)], while the debt portion was led by [CIBC Innovation Banking].

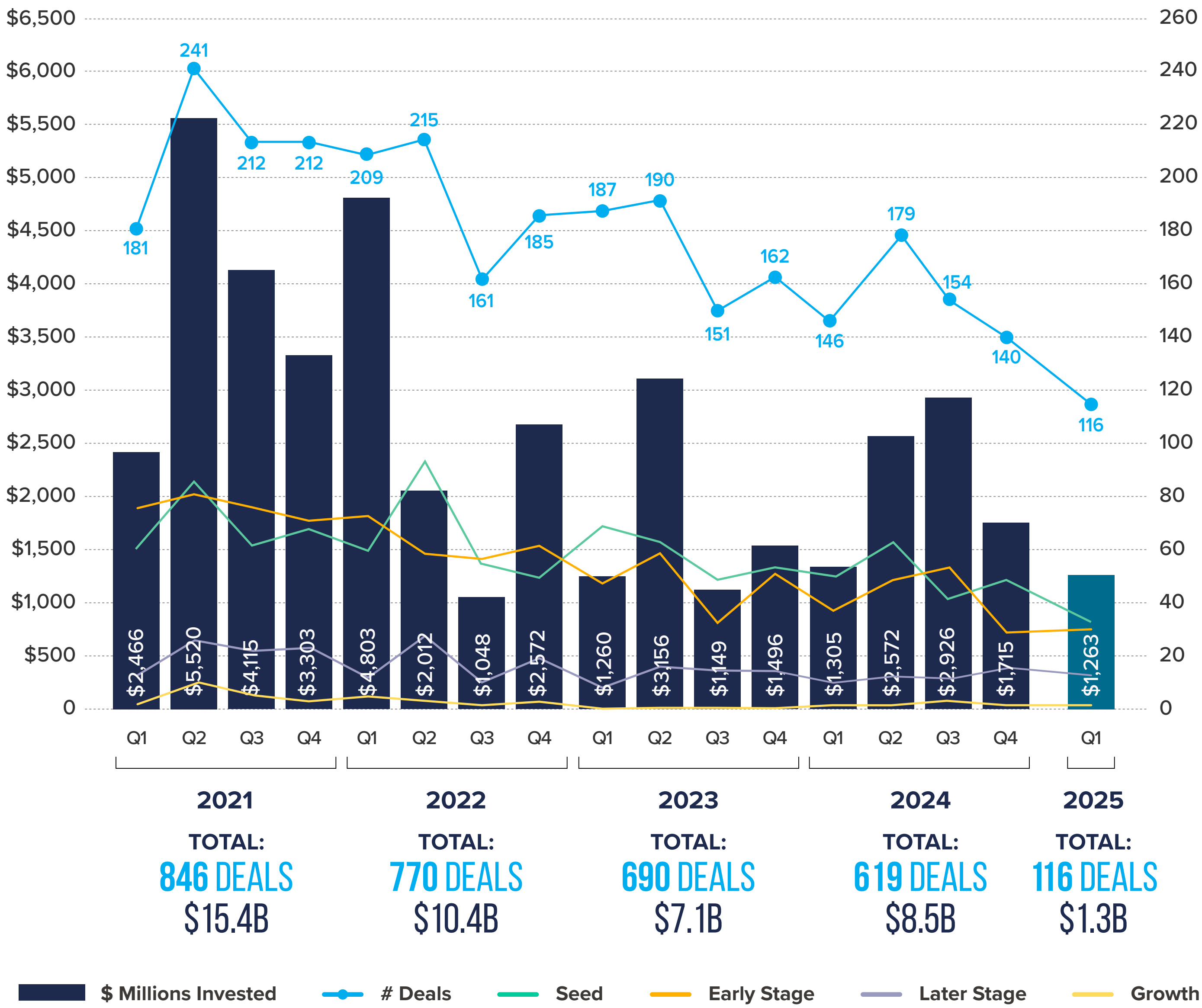
Top Sectors per Province

BY NUMBER OF DEALS



Venture Capital Investment Activity

Quarterly Activity



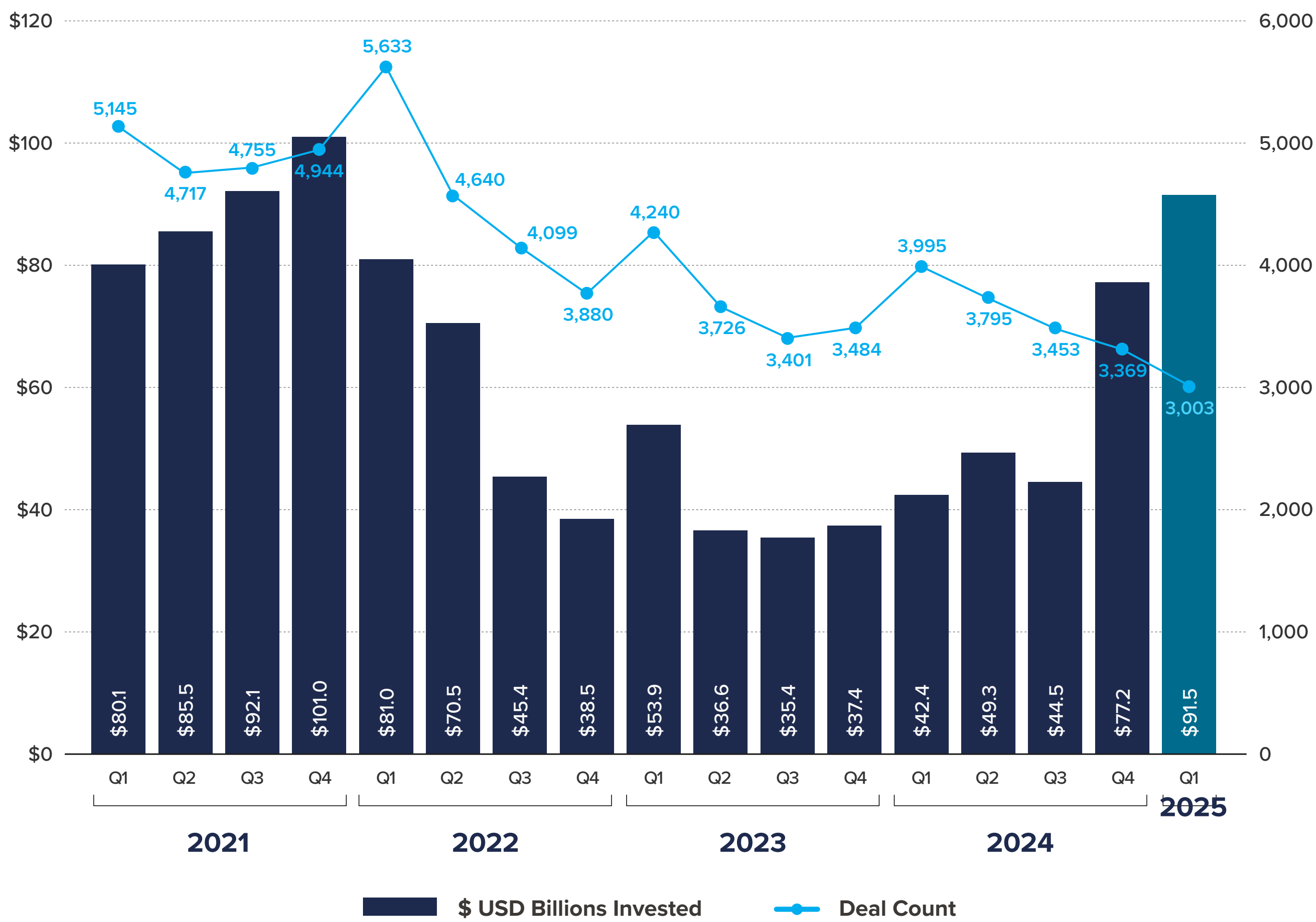
Q1 2025 saw a decline in both dollars invested and deal count when compared with Q4 2024, reflecting a slowdown amid growing global trade uncertainties. However, when viewed in the context of previous years, investment levels remain consistent with Q1 2023 and Q1 2024, though with fewer deals closed, indicating an ongoing shift toward fewer, larger investments in response to market volatility.

Discover comprehensive Canadian VC data on CVCA Intelligence: deals, fundraising, exits and more.

One important note is that many of the deals closed in Q1 2025 were initiated in Q4 2024 or earlier, meaning the full impact of current global economic shifts on the Canadian VC landscape has yet to materialize. This impact is expected to begin appearing in the data over the course of H1 2025 and beyond.

PitchBook data indicates that while the number of VC investments in the U.S. has declined quarter-over-quarter and year-over-year, deal values have increased considerably, reaching levels last seen in Q3 2021. The first half of 2025 will be key to observing whether the U.S. investment environment begins to reflect the broader impacts of global trade shifts.

US VC DEAL ACTIVITY BY QUARTER (2021-Q1 2025)*

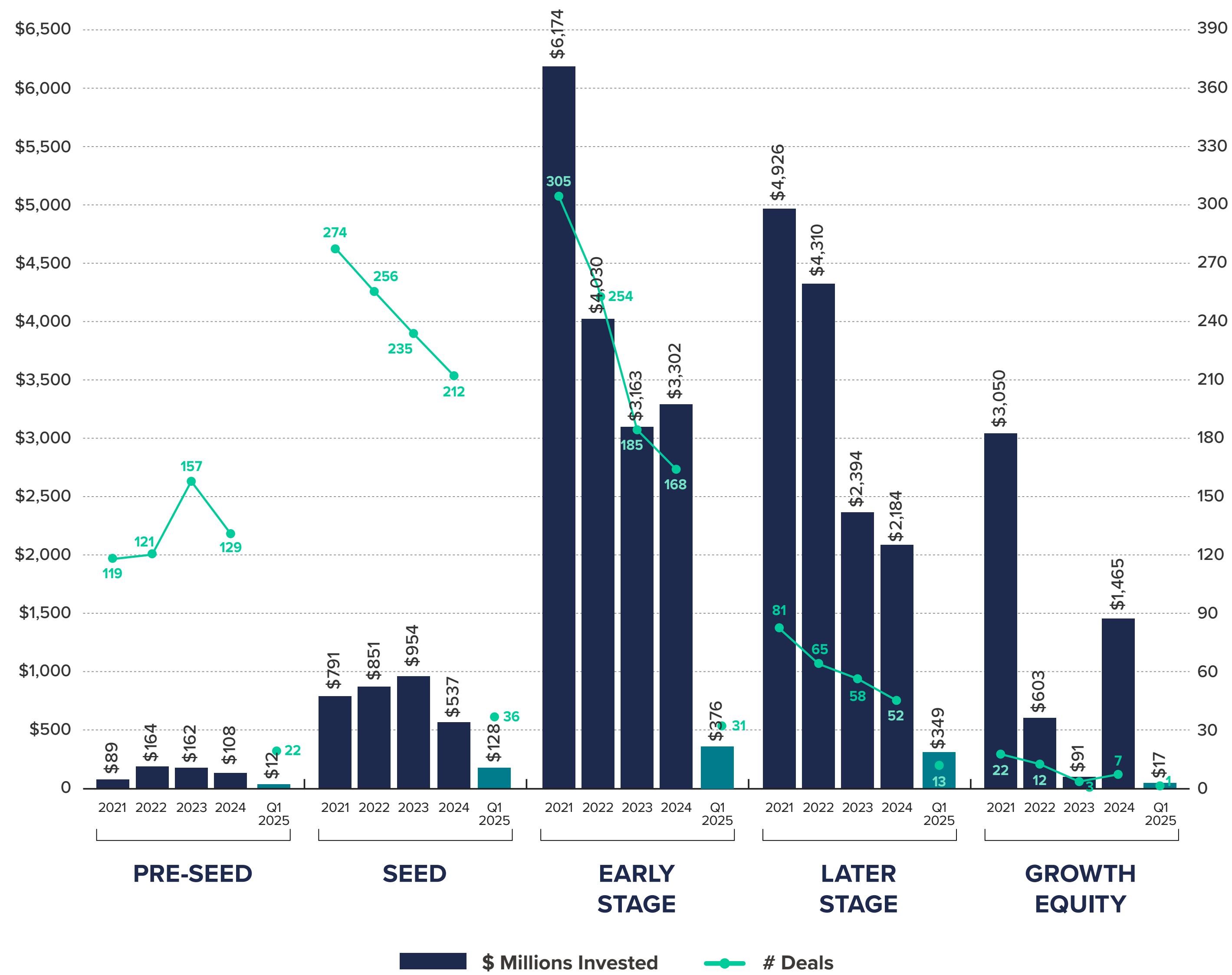


* Source: PitchBook

Venture Capital Investment Activity

Stage Breakdown

VC YEAR-OVER-YEAR STAGE BREAKDOWN (2021-Q1 2025)

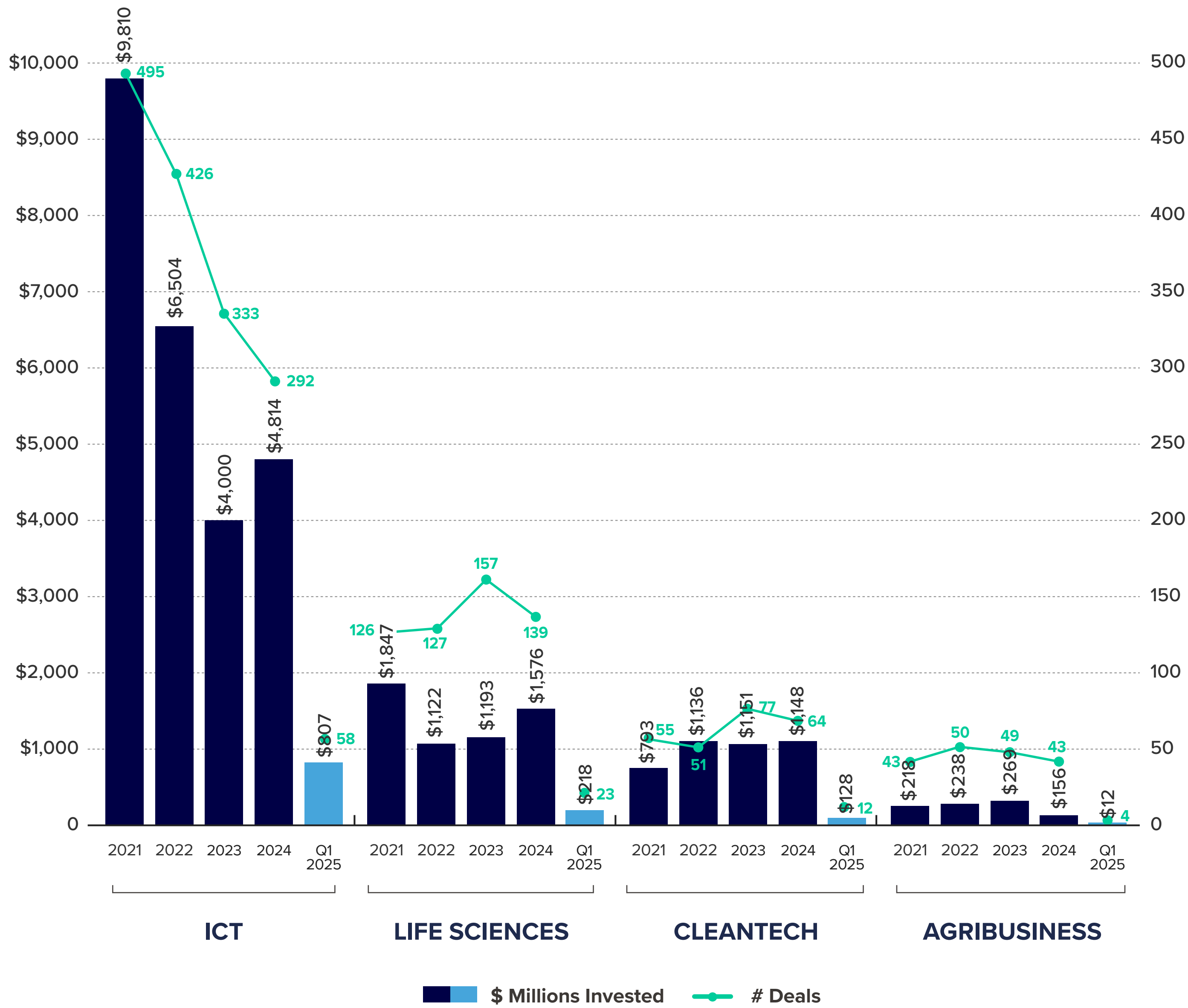


VC activity continues to shift towards the later-stages in Q1 2025, continuing with the trend which emerged in 2024. Later-stage funding (primarily Series C and D) accounted for 11% of deals and 28% of total venture capital invested in the quarter, up from 5% and 22%, respectively, in Q1 2023. This shift coincides with falling levels of investment activity in the Pre-Seed and Seed-stages, which fell by 24% and 27% quarter-over-quarter.

Venture Capital Investment Activity

Sector Breakdown

VC YEAR-OVER-YEAR SECTOR INVESTMENT ACTIVITY (2021-Q1 2025)



Venture capital investment trends by sector in Q1 2025 remained largely consistent with 2024, with ICT leading in both total dollars invested and number of deals, followed by Life Sciences and Cleantech.

The ICT sector attracted $807M across 58 deals, accounting for 64% of all VC dollars invested and 50% of total deal activity in the quarter.

Life Sciences secured $218M across 23 deals in Q1 2025, resulting in an average deal size of $9.46M, a 16.6% decline from 2024. Similarly, Cleantech recorded $128M across 12 deals, with an average deal size of $3.12M, reflecting a 14% decrease from 2024 levels.

Agribusiness saw a decline compared to Q4 2024, with $12M invested across 4 deals, representing a 50% drop in deal count and a 53% drop in dollars invested. However, activity levels were in line with Q1 2024, suggesting the dip may not be indicative of a broader shift.

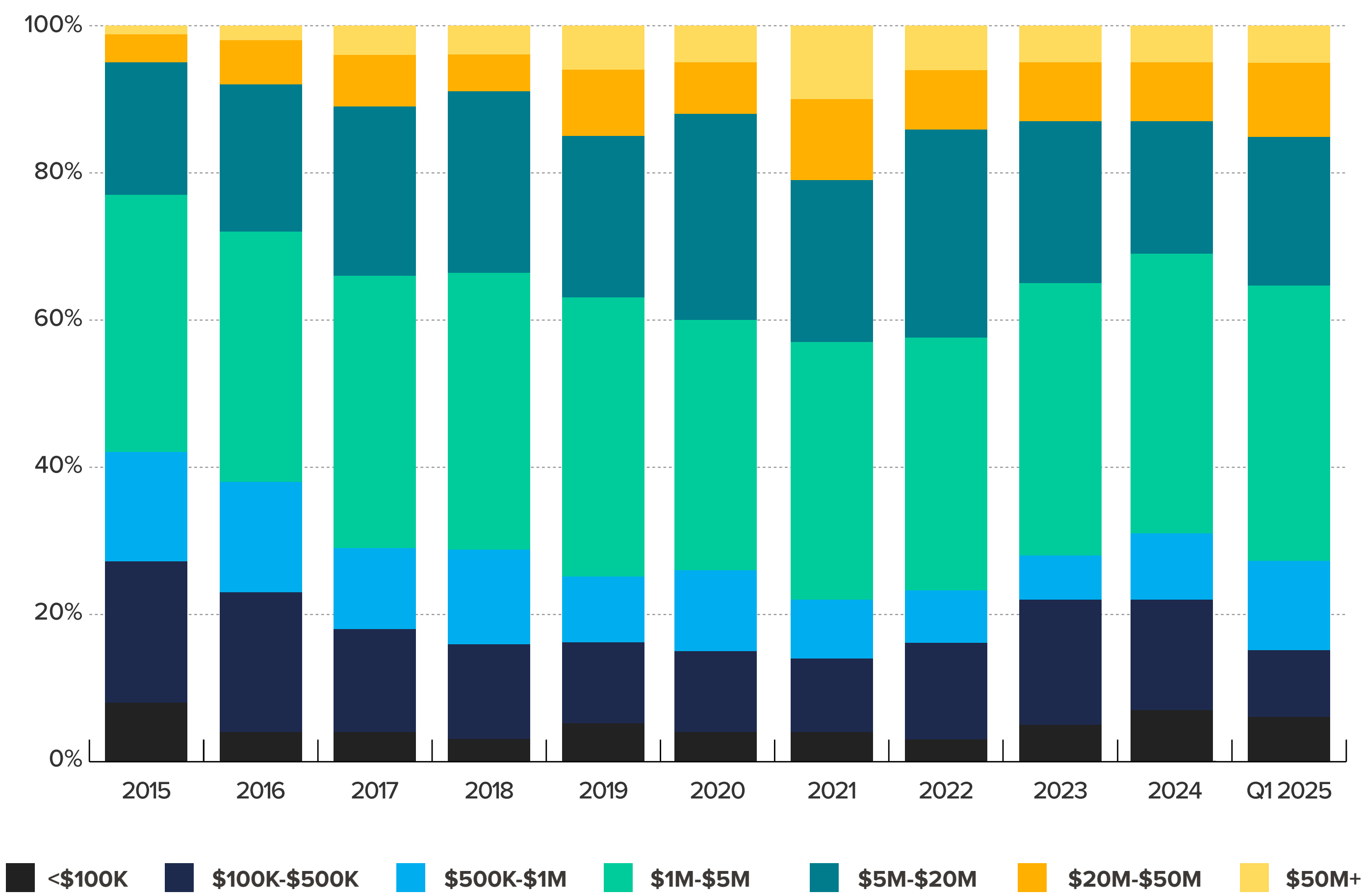
Venture Capital Investment Activity

Year-over-Year Activity by Deal Size

The distribution of deal sizes in Q1 2025 remained largely consistent to trends observed in Q4 2024, with $1M–$5M deals comprising the largest share at 37% of all activity.

However, a notable shift toward larger deal sizes has begun to emerge in 2025. Deals in the $100K–$500K range, which accounted for 15% of all deals in 2024 and a 5-year average of 13%, dropped to 9% in Q1 2025. This reduction was offset by an increase in $500K–$1M deals, rising from a 5-year average of 8% to 12% this quarter.

Deals in the $20M-$50M range saw a similar boost of activity, accounting for a share of investment activity only ever seen in 2021, accounting for 10% of all deals closed this year so far.

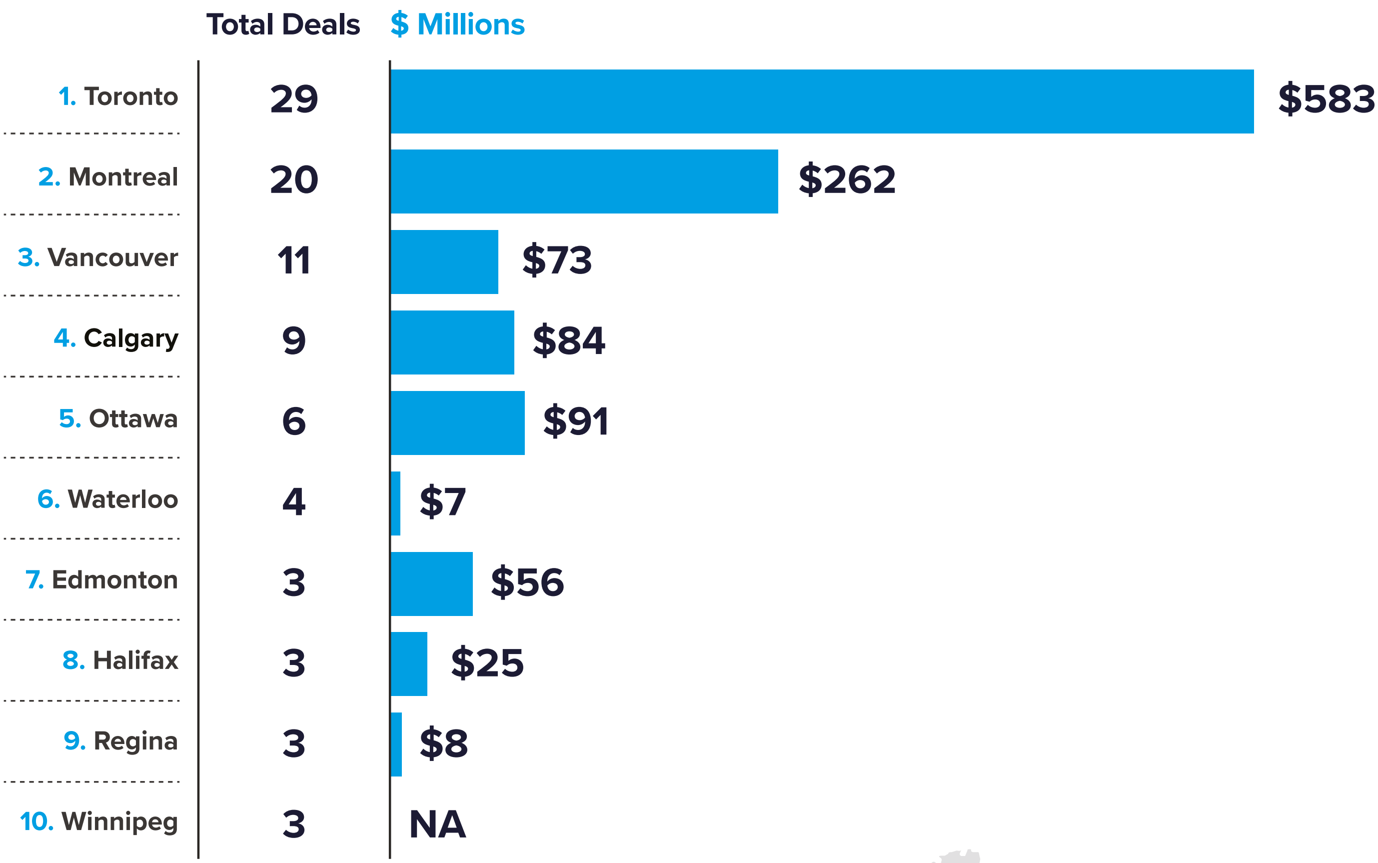


[Discover comprehensive Canadian VC data on CVCA Intelligence: deals, fundraising, exits and more.]

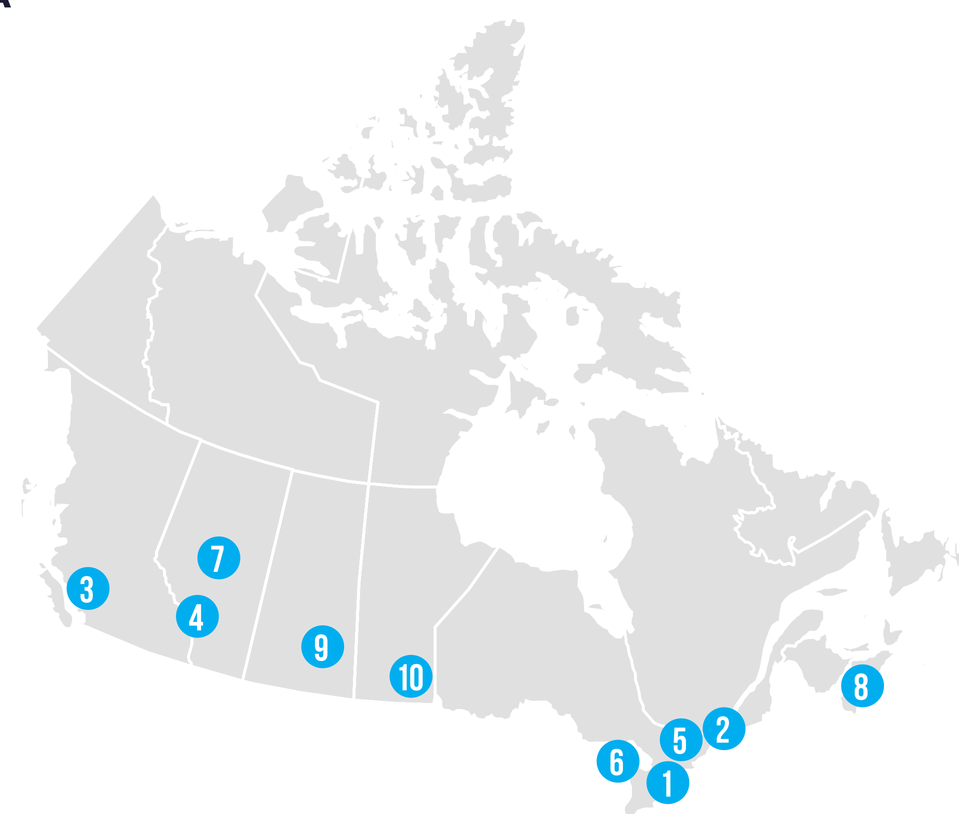
Top Disclosed Canadian VC Deals

COMPANY	PROVINCE	DISCLOSED VC FIRM(S)	SECTOR	STAGE	$ MIL
DCBEL	QC	IDEALIST CAPITAL,CANADA GROWTH FUND	CLEANTECH	LATER STAGE	**$79**
NANOPRECISE SCI CORP	AB	BDC CAPITAL INC., BMO CAPITAL PARTNERS, EXPORT DEVELOPMENT CANADA (EDC),YALETOWN PARTNERS INC, CIBC INNOVATION BANKING	INTERNET SOFTWARE & SERVICES	LATER STAGE	**$52**
CLUTCH	ON	BMO CAPITAL PARTNERS, ALTOS VENTURES,INDUSTRY VENTURES, FJ LABS, FLIGHT DECK CAPITAL	RETAIL (BRICK & MORTAR)	LATER STAGE	**$50**
PUZZLE MEDICAL DEVICES	QC	BDC CAPITAL INC., AQC CAPITAL, LUMIRA VENTURES, DESJARDINS CAPITAL,LONGVIEW VENTURES, KF MATHESON INVESTMENT HOLDINGS	HEALTHCARE/ LIFE SCIENCES	EARLY STAGE	**$43**
FUNDTHROUGH	ON	URBANA CORPORATION, KLISTER CREDIT CORP., CANADIAN BUSINESS GROWTH FUND (CBGF)	INTERNET SOFTWARE & SERVICES	EARLY STAGE	**$35**
ONEVEST	AB	OMERS VENTURES MANAGEMENT INC., SALESFORCE VENTURES,LUGE CAPITAL, DELOITTE VENTURES, FIN CAPITAL, PIVOT INVESTMENT PARTNER, ALLIANZ LIFE VENTURES, TIAA VENTURES	INTERNET SOFTWARE & SERVICES	EARLY STAGE	**$29**
OPTABLE TECHNOLOGIES	QC	DESJARDINS CAPITAL, BRIGHTSPARK VENTURES, TELUS GLOBAL VENTURES,HEARST VENTURES, DELOITTE VENTURES, ASTERX CAPITAL	INTERNET SOFTWARE & SERVICES	BRIDGE	**$29**
MOLECULIGHT INC.	ON	HAYFIN CAPITAL MANAGEMENT LLP	HEALTHCARE/ LIFE SCIENCES	LATER STAGE	**$28**
GUMLOOP	BC	Y COMBINATOR, FIRST ROUND CAPITAL, NEXUS VENTURE PARTNERS	INTERNET SOFTWARE & SERVICES	EARLY STAGE	**$25**
VENN (FORMERLY VAULT PAYMENTS INC.)	ON	GRADIENT VENTURES, INTACT VENTURES, LEFT LANE CAPITAL, XYZ VENTURE CAPITAL	INTERNET SOFTWARE & SERVICES	EARLY STAGE	**$22**

Top 10
Canadian Cities/ Administrative Centers

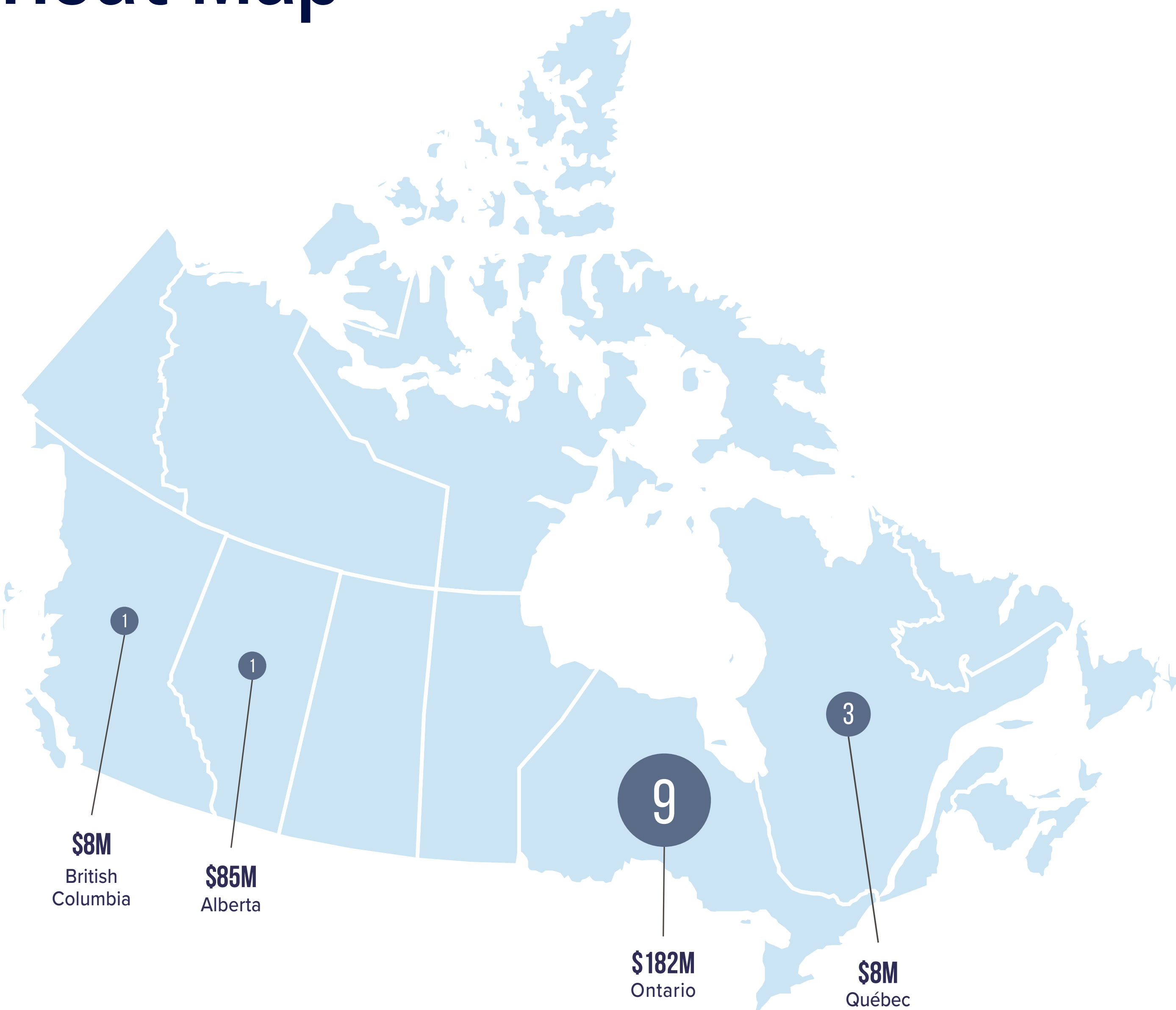


#1 Toronto
$583 Million
29 Deals



Discover comprehensive Canadian VC data on CVCA Intelligence: deals, fundraising, exits and more.

Venture Debt*
Heat Map



Venture debt activity continued to rise in Q1 2025, with $283M invested across 14 transactions, surpassing the five-year quarterly average. The dollars deployed through venture debt this quarter represent a 229% increase compared to the average Q1 investment levels since 2020.

Amid ongoing valuation pressures and market uncertainty, founders are increasingly turning to debt financing as an alternative means to support growth while minimizing equity dilution.

$283 Million
total invested across
14 Deals

* Venture debt financings are not included in the overall Canadian VC activity

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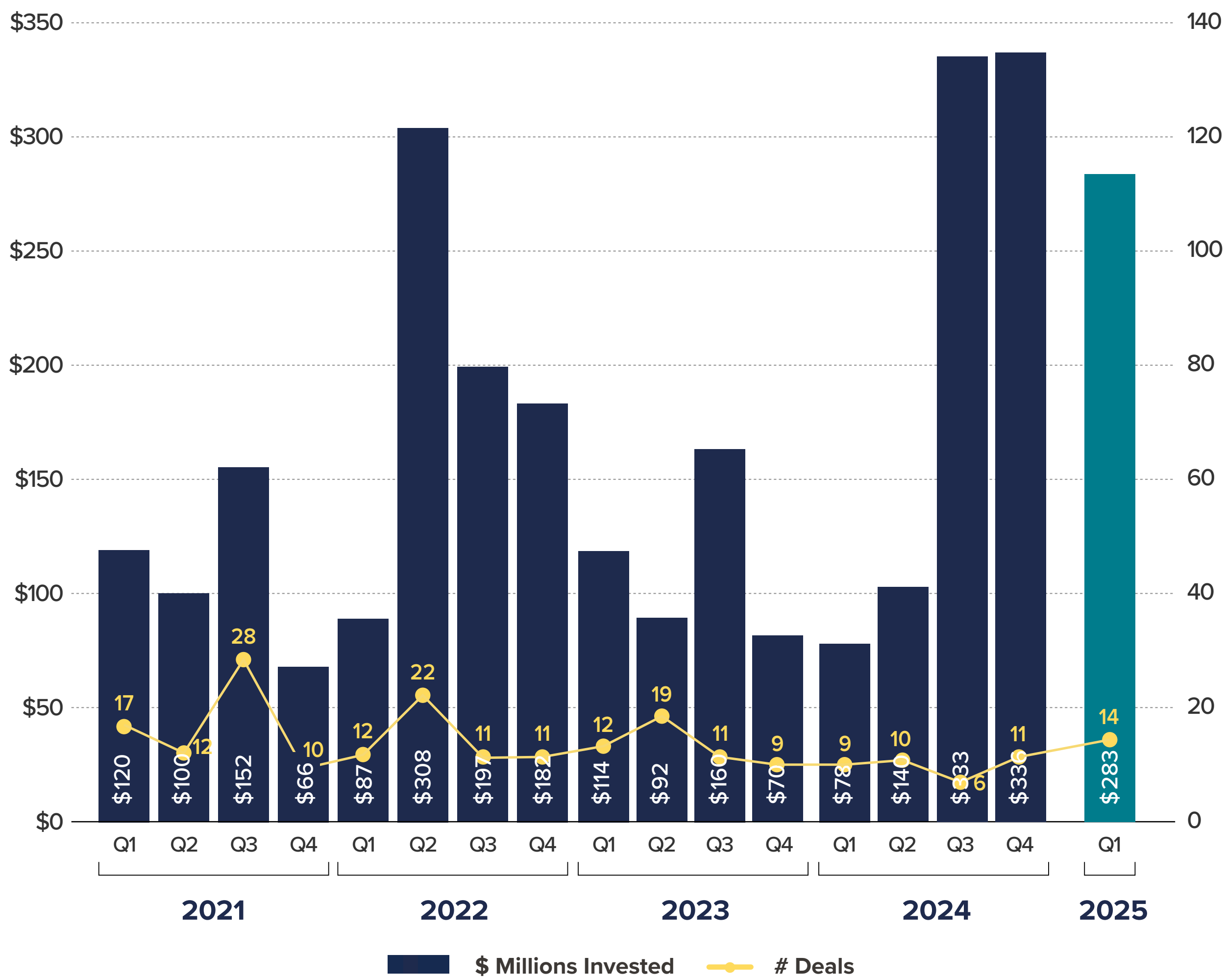
Venture Debt Investment Activity

QUARTERLY VENTURE DEBT FINANCING INVESTMENT ACTIVITY (2021-Q1 2025)

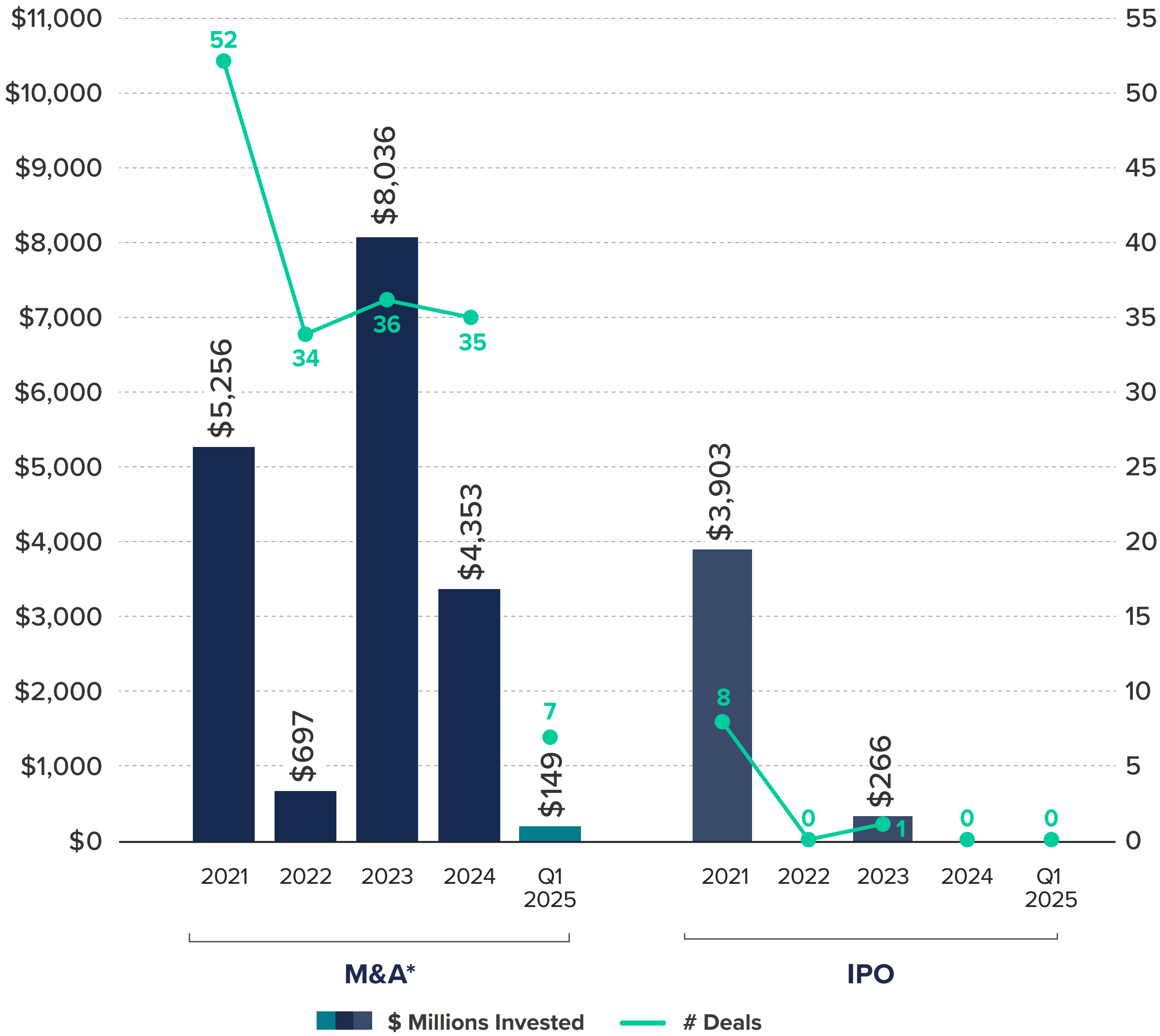


MOST ACTIVE FIRMS IN VENTURE DEBT FINANCING ROUNDS	# ROUNDS	SIZE OF TOTAL ROUNDS* (CDN$ MIL)
CIBC INNOVATION BANKING	5	$34
RBCX	2	$152
DESJARDINS CAPITAL	2	$8
ESPRESSO CAPITAL LTD.	2	N/A

Venture Capital Exits

Exit activity stalled in Q1 2025 as companies continued to face valuation challenges amid a backdrop of global economic uncertainty. As a result, no IPOs were recorded during the quarter.

M&A exit activity also slowed, with 7 exits raising $149M, a sharp difference compared to Q1 2024, which saw 14 exits totaling $3.3B in proceeds.



* Includes transactions with undisclosed values ** IPO valuation

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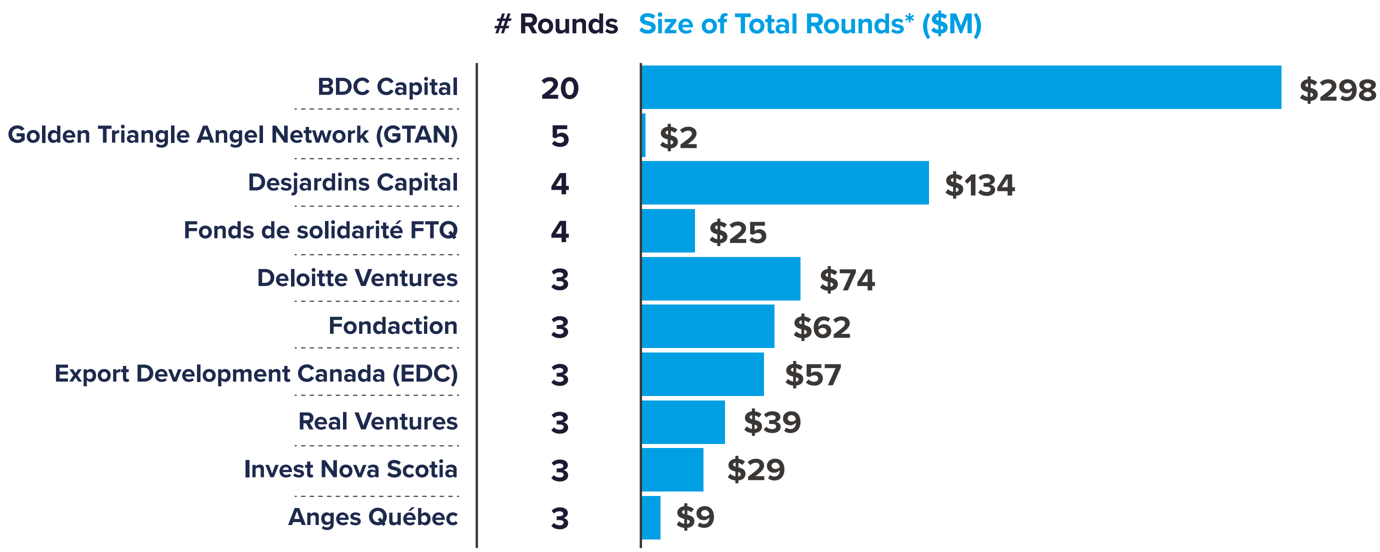
Most Active VC Firms & Funds



MOST ACTIVE PRIVATE INDEPENDENT FIRMS	# ROUNDS	SIZE OF TOTAL ROUNDS* (CDN$ MIL)
GOLDEN TRIANGLE ANGEL NETWORK (GTAN)	5	$2
REAL VENTURES	3	$39
ANGES QUÉBEC	3	$9
FRONT ROW VENTURES	3	$3
INVESTECO CAPITAL CORP.	3	$3
ANTLER	3	$1
INOVIA CAPITAL INC.	2	$69
LUMIRA VENTURES	2	$67
Y COMBINATOR	2	$60
TRUE NORTH FUND	2	$19

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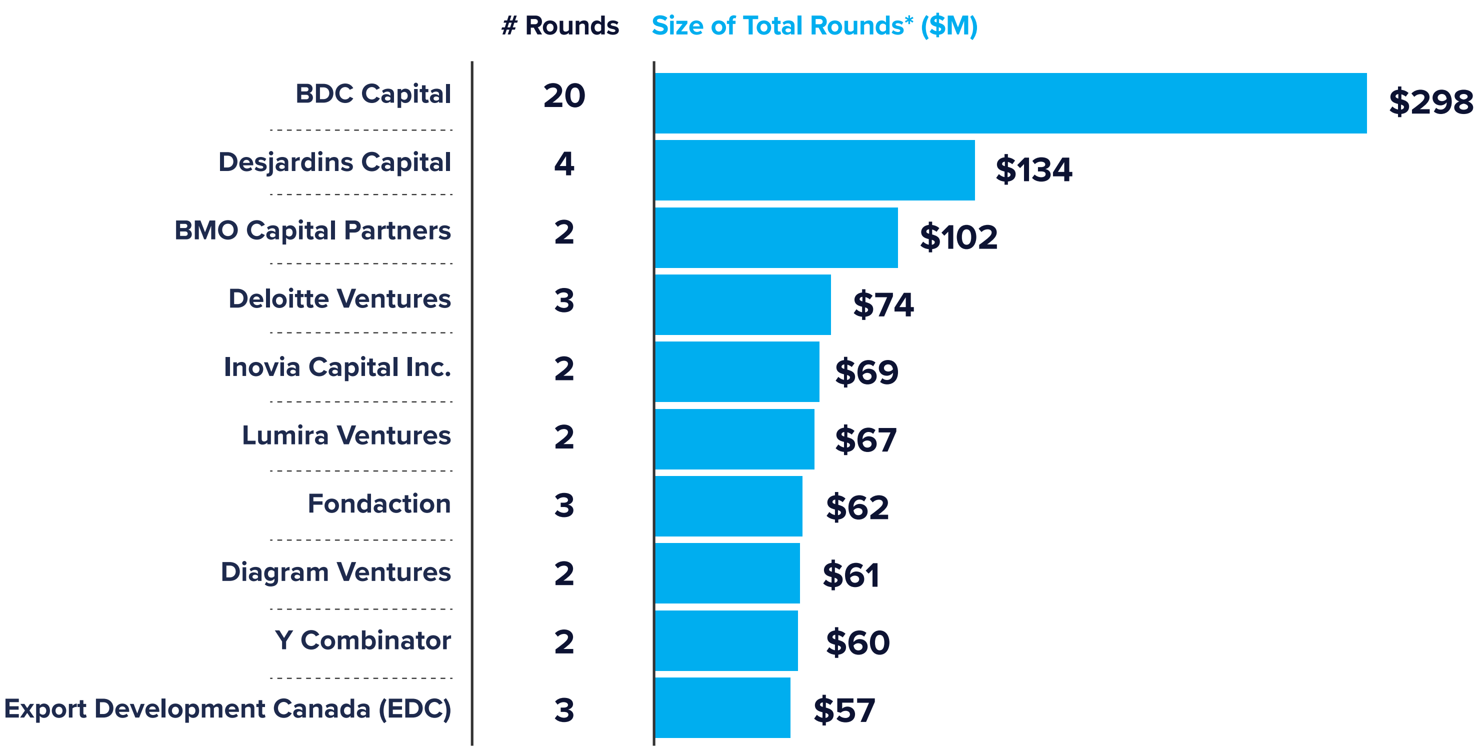
MOST ACTIVE PENSION, RETAIL, CORPORATE & OTHER PUBLIC FUNDS	# ROUNDS	SIZE OF TOTAL ROUNDS* (CDN$ MIL)
DESJARDINS CAPITAL	4	$134
FONDS DE SOLIDARITÉ FTQ	4	$25
DELOITTE VENTURES	3	$74
BMO CAPITAL PARTNERS	2	$102
SALESFORCE VENTURES	2	$29
SCALE GOOD FUND	2	$2

MOST ACTIVE GOVERNMENT FUNDS	# ROUNDS	SIZE OF TOTAL ROUNDS* (CDN$ MIL)
BDC CAPITAL INC.	20	$298
FONDACTION	3	$62
EXPORT DEVELOPMENT CANADA (EDC)	3	$57
INVEST NOVA SCOTIA	3	$29
MARS INVESTMENT ACCELERATOR FUND (IAF)	3	$4
NEW BRUNSWICK INNOVATION FOUNDATION (NBIF)	2	$1

* Total deal values - includes all participating investors

Overall Firms
With Largest Funding Rounds



* Total deal values - includes all participating investors

Independent Firms With Largest Funding Rounds

FIRM	# ROUNDS	SIZE OF TOTAL ROUNDS* (CDN$ MIL)
INOVIA CAPITAL INC.	2	$69
LUMIRA VENTURES	2	$67
DIAGRAM VENTURES	2	$61
Y COMBINATOR	2	$60
YALETOWN PARTNERS INC	2	$55
AQC CAPITAL (FORMERLY: ANGES QUÉBEC CAPITAL)	2	$45
REAL VENTURES	3	$39
CYCLE CAPITAL MANAGEMENT	2	$25
TRUE NORTH FUND	2	$19

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Participating Data Contributors

CVCA thanks the following firms who participated in its Q1 2025 survey.

VENTURE CAPITAL FIRMS

5G Open Innovation Lab
Accelerate Fund
Accelia Capital
Active Impact Investments
adMare Bioinnovations
Alberta Ecotrust Foundation
AmorChem Fund
Amplitude Ventures
Anges Quebec
Anges Québec Capital / AQC Capital
Antler
Azure Capital Partners
BCF Ventures
BDC Cleantech Practice
BDC Intellectual Property-Backed Financing
BKR Capital
BlackPines Capital Partners
Boreal Ventures
Build Ventures
CEMEX Ventures
Centre for Aging + Brain Health Innovation
CIBC Innovation Banking
CIC Capital Ventures
Climate Innovation Capital
CTI Life Sciences
DigitalDx Ventures
Emerald Technology Ventures
Espresso Capital Ltd.
FACIT
Ferst Capital
Finchley Healthcare Ventures
First Ascent Ventures
Forum Ventures
Front Row Ventures
Genesys Capital
Good News Ventures
Grand Ventures
Graphite Ventures
GreenSky Capital Inc.
Highline Beta
iGan Partners
InBC Investment Corp.
Information Venture Partners
Innovobot
inovia Capital
Invest Nova Scotia
Investeco Capital Corp
Lalotte Ventures
Lumira Ventures
MaRS Investment Accelerator Fund (IAF)
Math Venture Partners
McRock Capital
NAventures
New Brunswick Innovation Foundation
NGIF Capital
Nimbus Synergies
Pangaea Ventures
Pelorus Venture Capital Ltd.
Pender Ventures
Quark Venture
RBC Capital Partners
Real Ventures
Relay Ventures
Renewal Funds
Resolve Growth Partners
Roadmap Capital
Round 13 Capital
Sand Hill North
Sandpiper Ventures
Scale Good Fund
Sectoral Asset Management Inc.
Spring Impact Capital
Staircase Ventures
Startup TNT
Telegraph Hill Capital
TELUS Global Ventures
The51 Food and Agtech Fund
The51 Ventures Fund
Tidal Venture Partners
TLT East Ventures
Top Down Ventures
Trillick Ventures
Triptyq Capital
True North Fund
Uncork Capital
Version One Ventures
Vistara Growth
Volta Labs
Waterpoint Lane
White Star Capital
Yaletown Partners

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PRIVATE EQUITY & LSVCC FIRMS

ARC Financial

Ardenton Capital Corporation

BDC Growth & Transition Capital (BDC GTC)

BDC Growth Equity

CAI Capital Partners

Canadian Business Growth Fund

Clairvest Group Inc.

Clearspring Capital Partners

Export Development Canada (EDC)

Fengate Private Equity

Fulcrum Capital Partners

Golden Triangle Angel Network (GTAN)

Highland West Capital

Instar Asset Management Inc.

Ironbridge Equity Partners

Killick Capital Inc.

McCain Capital Partners

Mink Capital

Novacap Management Inc.

Peloton Capital Management

Persistence Capital Partners

Pillarfour Capital

PRIVEQ Capital Funds

Roynat Capital Inc.

Seafort Capital

TerraNova Partners L.P.

Tricor Pacific Capital Ltd.

Upper Stage Ventures

Vertu Capital

Waterous Energy Fund

Weathervane Investments

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Fonds régionaux de solidarité FTQ

HarbourVest Partners (Canada) Ltd

Investissement Quebec

Kensington Capital Partners Ltd.

Ontario Teachers' Pension Plan (OTPP)

Teralys Capital

Venture Ontario

If you would like to have your firm included in future reports, please click here.

CVCA Methodology: Venture Capital

VENTURE CAPITAL DATA:

Verified completed equity, quasi-equity venture capital and venture debt deals only (non-equity or project-based government funding, pharmaceutical development deals, venture capital-backed acquisitions, and angel financing are not included). All figures are in CAD unless otherwise specified.

VC DEVELOPMENT STAGES	
VENTURE DEBT	SHORT-TO-MEDIUM TERM, NON-DILUTIVE DEBT INSTRUMENT WITH NO EQUITY RIDER.
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 COMMERCIALLY AVAILABLE.
LATER STAGE	PRODUCT OR SERVICE IN PRODUCTION AND COMMERCIALLY AVAILABLE. COMPANY IS GENERATING ON-GOING REVENUE, BUT NOT NECESSARILY, PROFITABLE.
GROWTH	SIGNIFICANT MINORITY INVESTMENT TO DRIVE GROWTH AND SCALE WHICH CAN BE COMBINED WITH A SECONDARY TRANSACTION TO FACILITATE LIQUIDITY FOR EXISTING VC INVESTORS

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

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DISCLAIMER

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