

Q1 2017 VC & PE Québec Market Overview: VC experiences robust quarter; PE mirroring slow Canada-wide activity

Québec Q1 2017 venture capital and private equity deals led by investments in ICT

June 13, 2017 – Montréal, QC – Québec venture capital (VC) activity in the first quarter of 2017 remained vigorous with \$207M invested across 30 deals—a 52 per cent increase over the \$136M invested in the same quarter last year. In contrast, private equity (PE) in Québec is following the same downward Canadian trend—PE dollars invested in Québec dropped 47 per cent to \$660M from Q1 2016.

In Q1 2017, Québec VC captured 31 per cent of the total number of Canadian VC deals (30 out of 98) and 23 per cent of the total Canadian VC dollars invested (\$207M out of \$905M). Of the venture capital invested, \$150M was directed to seed and early stage companies, with just under a third (\$56M) going to later stage companies.

The average deal size in Québec VC increased to \$6.9M, up 17 per cent from the \$5.9M in 2016. There was one single mega-deal in the \$50M+ range: the \$53M series C financing for Montréal-based [Breather Products](#). The round was financed by a syndicate of US investors.

There were 12 deals in ICT companies which accounted for 62 per cent of all VC dollars disbursed in Québec. Agribusiness companies came in second place, with 19 per cent of all venture capital invested across three deals.

Noteworthy exits in the first quarter included the \$133M acquisition of Saint-Laurent-based [Accedian Networks](#) and the [Airbnb](#) acquisition of Montréal-based [Luxury Retreats](#) International for an undisclosed amount.

In Q1 2017, Québec PE captured 58 per cent of the total number of Canadian PE deals (61 out of 105) and 24 per cent of the total Canadian dollars invested (\$660M out of \$2.8B). The average deal size was \$10.8M, which is only two per cent lower than the average 2016 deal size of \$11M.

Similar to VC, ICT companies were the largest recipient of PE dollars in Québec in Q1 at 27 per cent. The mining and resource sector ranking second at 25 per cent, with agri-forestry locking in the third position at 20 per cent.

Nine deals between \$25M and \$100M saw the largest share of total PE dollars invested in Québec at 58 per cent. The largest disclosed deal was \$50M in this category—the financing of [Falco Resources](#) in Nord-du-Québec/ Abitibi-Témiscamingue by a group of investors which included [Capital régional et coopératif Desjardins](#), [Fonds de solidarité FTQ](#), [Haywood Securities Incorporated](#) and [Investissement Québec](#).

VC & PE Digital Assets:

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About Réseau Capital

Réseau Capital, the Québec Venture Capital and Private Equity Association, is the only private equity association that brings together all stakeholders involved in the Québec investment chain. The mission of Réseau Capital is to contribute to the development and efficient operation of the private equity industry, which plays a major role in the development and financing of businesses in Québec.

Founded in 1989, Réseau Capital represents private equity, tax-advantaged and public investment companies as well as banks, accounting and law firms, along with many professionals working in the field. Please visit: <http://www.reseaucapital.com>

For more information or to arrange an interview, please contact:

Catherine Berbery
Direct: 514-880-2372

About the CVCA

The CVCA 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. Please visit: <http://www.cvca.ca>.

For complete description of the CVCA methodology please refer to **[insert link to Market Overview]**