



For immediate release

Canadian Angel Investments Injected \$157.2 Million into Canadian Startups in 2016

2016 data shows 15% increase in Angel investments

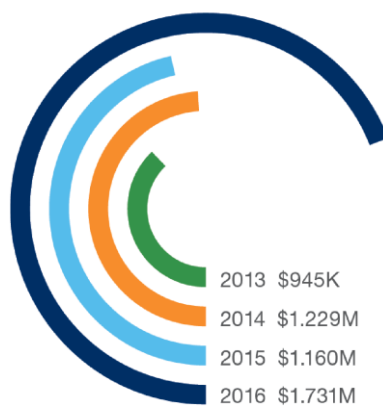
WINNIPEG, May 29th, 2017 – The National Angel Capital Organization (NACO) have released the seventh annual *Report on Canadian Angel Investing Activity*. This year’s data not only highlights the vibrant and buoyant Canadian Angel market, it also found that Angel groups are frequently participating in larger syndicated deals and follow-on investments.

The report, which is based on a survey of 35 Angel groups across Canada, was developed in partnership with the Government of Canada, BDC Capital, RBC, Ryerson Incubate and Innovate Network Canada. It reveals that Angel groups made 418 investments, amounting to over \$157.2 million. Of the deals reported, average deal size was \$1.7 million. The data also shows that Canadian Angels mean investment size is more than double for follow-on deals, increasing from ~\$260K for new investments to ~\$570K for follow-on investments.

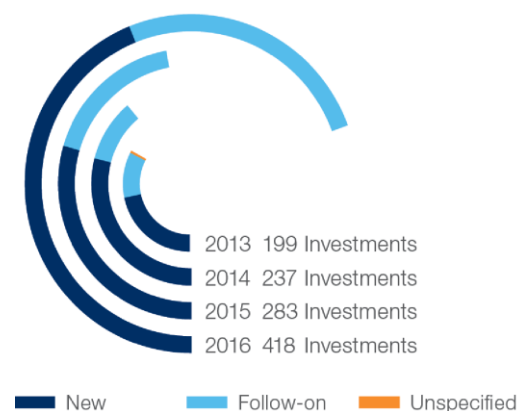
“This latest report is very encouraging, as the data supports the developments we have been observing over the past several years, which shows a trend towards greater collaboration between Angels and other partners in the funding continuum including Venture Capital, IPOs, and commercial banks,” said Yuri Navarro, CEO of NACO.

Commenting further Navarro said, “Increasingly, the Angel network is filling the seed to growth stage in the investment scale stepping in to provide critically needed bridge capital to startups as they mature into scalable ventures. This growing Angel funding bridge will not only generate more positive investment outcomes, it also helps to build stronger late stage innovation companies that strategic investors can support.”

Average Deal Size



Total Number of Investments










NACO ANGEL 2016 RANKING

Across Canada, 35 Angel groups participated in the 2016 survey. Angels tend to invest in close geographic proximity, with the majority of Angels located in Central Canada at 80%, 17% are situated in Western Canada, and 3% in Eastern Canada. Angels are essential to the Canadian economy, driving innovation and fuelling job creation. In 2016, Angel groups received more investment-seeking applications than ever before confirming their vital role in the startup ecosystem.






“Most angels are entrepreneurs themselves who’ve been through the highs and lows of managing a business. This is one of the reasons we see both their advice and their capital as invaluable to the Canadian entrepreneurial ecosystem,” says Jérôme Nycz, Executive Vice President of BDC Capital. “We look forward to continuing to work with them to build more world-class Canadian companies in the years to come.”

For the fifth year in a row, the Northern Ontario Angels are the number one group in Canada by number of investments made.

Top 5 Canadian Angel Groups by Number of Investments Made in 2016

	2015 Rank
 Northern Ontario Angels Ontario	1
 Open Angel Canada British Columbia	New
 VA Angels – TEC Edmonton Alberta	3
 Ange Québec Quebec	2
 York Angel Investors Inc. Ontario	4

Top 5 Canadian Angel Groups by Dollar Amount Invested in 2016

	2015 Rank
 iGAN Partners Ontario	1
 Ange Québec Quebec	3
 Northern Ontario Angels Ontario	New
 XDL Capital Ontario	New
 VA Angels – TEC Edmonton Alberta	4

Over the last four years, investment activity has continued to increase substantially. There was an almost 50% increase in the number of investments in 2016, coupled with a 15% increase in the amount invested. Per capita Western Canada has the most Angel investment activity, slightly ahead of Central Canada. As well, for the first-time investments shifted in geographical concentration from a focus on deals within an Angel’s home city to investments within the same province.

“Small businesses are the growth engine of the Canadian economy – when these companies grow, they create more jobs for middle-class Canadians,” says the Honourable Bardish Chagger, Minister of Small Business and Tourism. “I am pleased to see the results in this report, which paint a vibrant picture of Canada’s Angel market. The Government of Canada is committed to supporting our entrepreneurs and small businesses grow and scale up, and



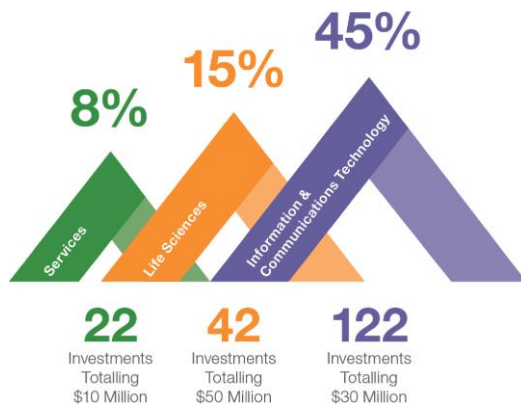
angel groups across the country are doing great work to invest in, and work with startups and small business entrepreneurs. They not only provide important investments, they help translate ideas into new products and services, accelerate business growth, and propel entrepreneurs from the startup phase to international success.”

NACO 2016 Report

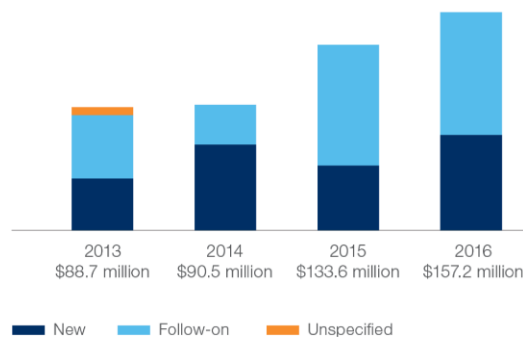
Angel groups are now an established part of the Canadian entrepreneurial ecosystem, with 55% of groups reporting being in operation for more than five years. Interest and participation is continuing to grow and eight new groups reported for the first time this year.

Investment activity is dominated by the information-communication technology (ICT) sector with 45% of the total deals and 26% of the dollars invested. In the Life Sciences sector, which account for 15% of deals and 45% of the amount invested, mean investment size has doubled since 2013. These findings infer that Angel investors are doing proportionally more investment in ICT, but investing more dollars in Life Sciences. This in-part, can be due to the set-up and expansion cost differences between running a Life Sciences company versus an ICT organization.

Top 3 Industry Sectors



Total Value of Investments



NACO Report History

The Angel activity report conducted by NACO examines Canada’s Angel investor community. It identifies key industry trends and best practices for investors and entrepreneurs.

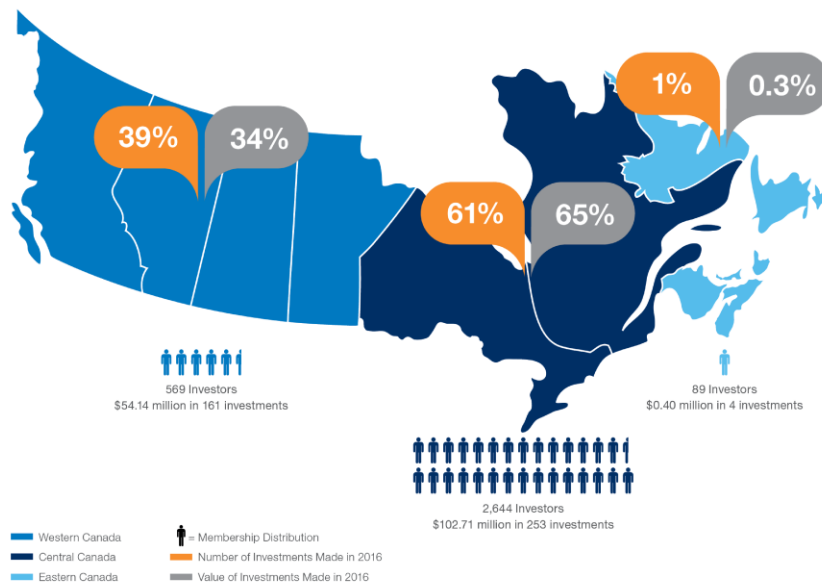
Since 2010, the report has captured 1,413 investments, in 773 companies. This represents a remarkable \$560.2 million injected into the Canadian entrepreneurial ecosystem.

The Report author, Colin Mason, Professor of Entrepreneurship in the Adam Smith Business School, University of Glasgow, said “The data from the 2016 report emphasizes that business angels don’t just finance startups; they also play a critical role in the early stages of the scale-up process. Government at both federal and provincial levels should therefore be supporting business angels.”

The *2016 Report on Angel Investing Activity in Canada: An Analysis of Startup Funding by Visible Angel Networks* is the seventh of its kind.



Investments and Membership by Region in 2016



[Read the Full Report](#)

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Media Inquiries

For more detailed data and/or to arrange an interview with Canadian Angel Investors or NACO's Executive Director Yuri Navarro, please contact:

Vanessa Wilson
NACO, Director Marketing and Events
(416) 581-0009 Ext. 4

Arleigh Vasconcellos
The Agency
(403) 561-4810

media@nacocanada.com

About the National Angel Capital Organization

The National Angel Capital Organization accelerates a thriving, early-stage investing ecosystem in Canada by connecting individuals, groups, and other partners that support Angel-stage investing. NACO provides intelligence, tools and resources for its members; facilitates key connections across networks, borders and industries; and helps to inform policy affecting the Angel asset- class. For more information please visit www.nacocanada.com or



follow us on Twitter @AngelCapCanada.

About BDC Capital

With more than \$2 billion under management, BDC Capital is the investment arm of BDC, serving as a strategic partner to Canada's most innovative and high potential firms. It offers a range of equity, venture capital and flexible growth and transition capital solutions to help Canadian entrepreneurs scale their businesses into global champions. To find out more, visit bdc.ca/capital.

About RBC

Royal Bank of Canada is Canada's largest bank, and one of the largest banks in the world, based on market capitalization. We are one of North America's leading diversified financial services companies, and provide personal and commercial banking, wealth management, insurance, investor services and capital markets products and services on a global basis. We have approximately 80,000 full- and part-time employees who serve more than 16 million personal, business, public sector and institutional clients through offices in Canada, the U.S. and 35 other countries. For more information, please visit rbc.com.

RBC helps communities prosper, supporting a broad range of community initiatives through donations, community investments and employee volunteer activities. For more information please see: <http://www.rbc.com/community-sustainability/>.

About Ryerson

Ryerson University has partnered with Simon Fraser University (SFU) and the University of Ontario Institute of Technology (UOIT) to establish a pan-Canadian business incubator and accelerator network – Incubate Innovate Network of Canada (I-INC) – to connect partner universities' strengths in digital technologies and to create an entrepreneurial ecosystem that will drive technology-enabled innovation, productivity, and job creation. To learn more, visit iincanada.ca