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Canadian Venture Capital Market Overview

2024

2024 Highlights

The final quarter of 2024 saw an additional **\$1.4B** invested across **124** deals, bringing the year's total to **\$7.9B** invested across **592** deals

The largest deal in Q4 was raised by Montréal-based **Blockstream**, **raising \$290M via convertible note**

The largest deal in 2024 remains the **\$1.24 billion** funding round raised by BC-based legaltech company **Clio** in Q3, marking the largest round ever closed in Canada. A significant portion of this investment was undisclosed secondary capital.

In 2024, there were **40** exits totaling **\$5.2B**, primarily driven by M&A, continuing trends seen post-2020

The largest exit of 2024 also accounted for 63% of total exit value: the acquisition of Hamilton-based **Fusion Pharmaceuticals**, **acquired by AstraZeneca** for \$3.3B



Ontario, Quebec and BC accounted for 88% of all dollars invested and 76% of all deals closed in 2024 with nearly \$7B invested across 448 deals

With the addition of [Clio's](#) significant fundraising, British Columbia trailed Ontario by just \$41M in total dollars invested for the year—the smallest gap ever recorded between the two provinces

Four additional mega-deals (\$50M+) closed in Q4, adding \$701M to the year's total

Mega-deals accounted for 62% of all dollars invested in 2024. Removing [Clio's](#) \$1.24B transaction from this year's activity would drop overall VC Investment value in 2024 to \$6.6B - a 6% drop in total deal values year-over-year

US investor participation rates dropped by 2% year-over-year but remain 9% higher than pre-pandemic

Meanwhile, investor interest from Asian markets increased by 1% year-over-year, a slight uptick in capital flow from the region

The average disclosed deal size rose by 30% year-over-year from \$10M to \$13.3M

While deal values in 2024 surpassed the 5 year average (\$12.4M) by 7%, the number of deals has decreased by 13%, indicating a trend toward fewer, but larger transactions in later stages

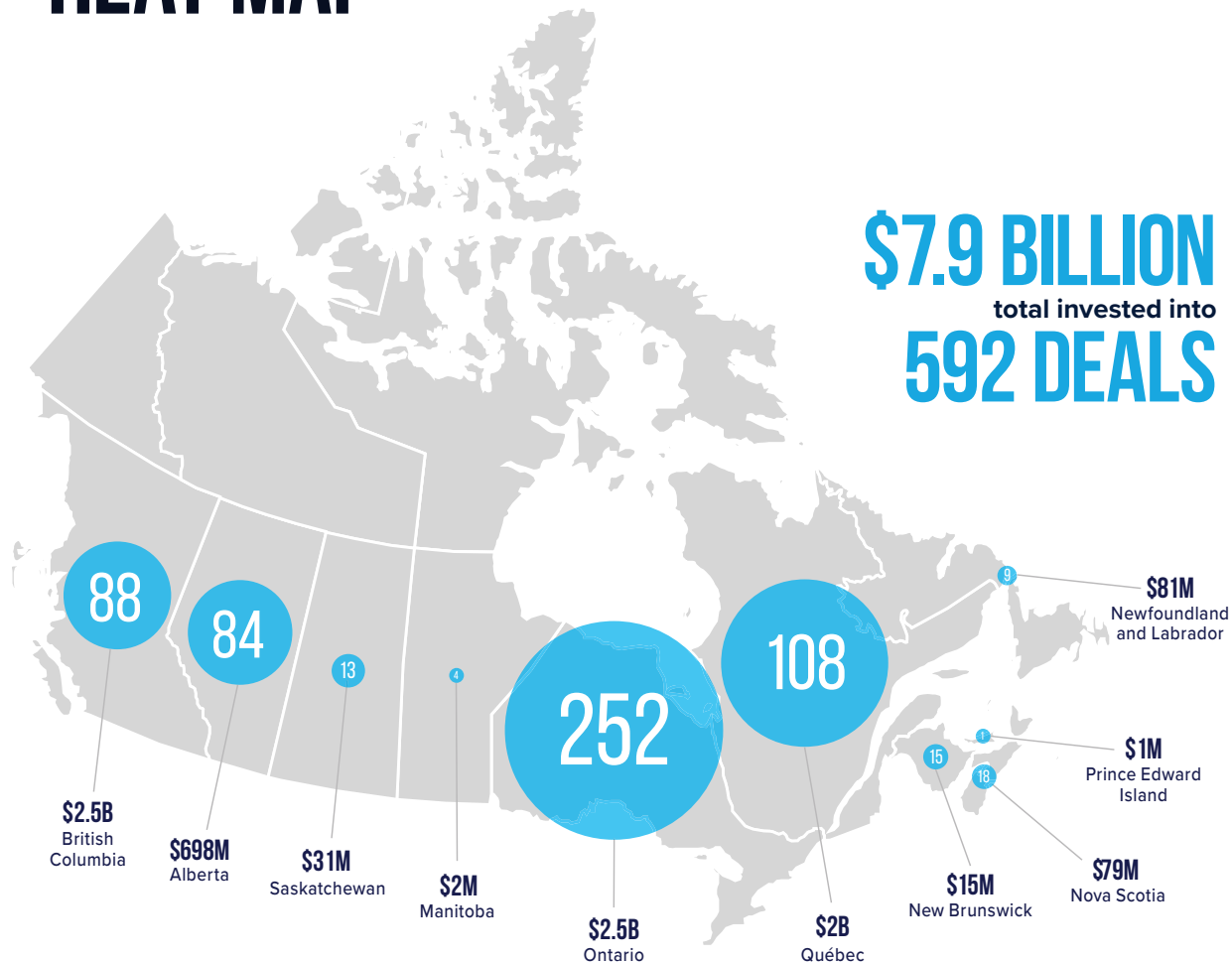
The Life Sciences sector saw the second highest levels of dollars invested on record with nearly \$1.4B invested across 128 deals in 2024

Investment values this year were second only to 2021 where the sector collected \$1.8B through 126 deals

Venture debt activity boosted by several \$100M+ loans in 2024 to a total of \$881M across 35 transactions

Total investment values doubled year-over-year, while transaction counts dropped 33% in the same time period

VENTURE CAPITAL HEAT MAP



In 2024, the province of British Columbia (BC) reshaped provincial investment trends, surpassing Québec and closing in on Ontario, trailing by just \$41M in total dollars invested. This marks the narrowest gap between BC and Ontario on record. Québec ranked third, with nearly \$2B invested across 108 deals. These three provinces collectively accounted for 88% of all dollars invested and 76% of total deals this year, maintaining a similar trend from 2023 despite a decline in overall deal volume.

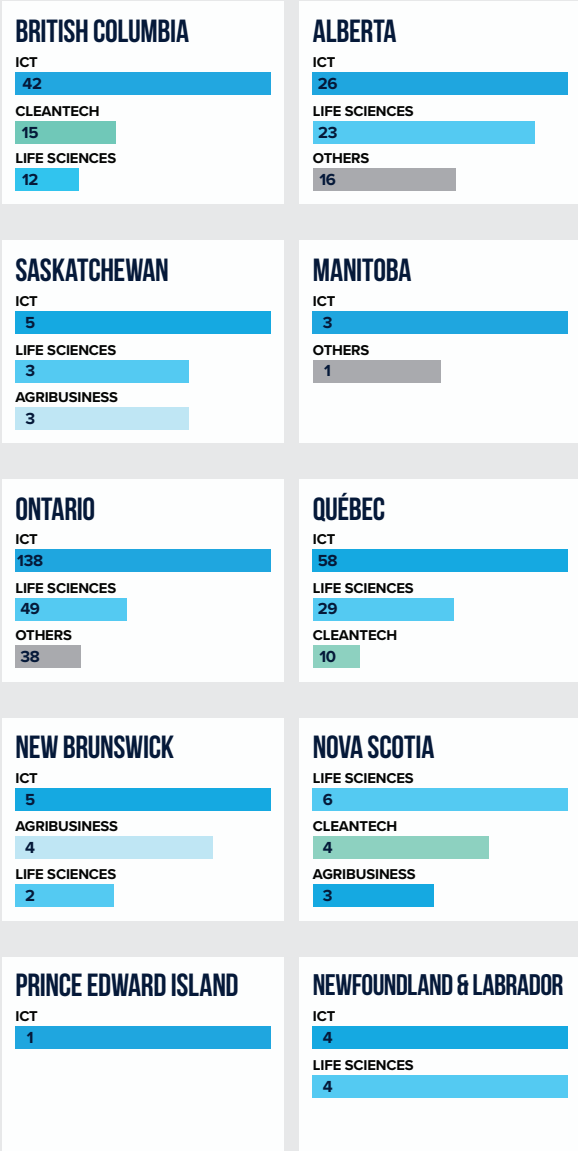
[Clio's funding](#) gave BC the boost we see in terms of dollars invested, bringing the province's contribution to \$2.4B which represents 31% of total dollars invested in Canada in 2024. This level of investment, combined with this year's lower deal count, gave BC its highest ever average deal size—the highest annual average deal size for a province ever—of \$27.9M. Maintaining its historical position in first place was the province of

Ontario with \$2.5B or 32% of total dollars invested. Québec came in third at 25% of all dollars invested, translating to just under \$2B for the year.

Investment activity in the Prairies remained steady, led by Alberta with nearly \$700M invested across 84 deals. Manitoba, however, saw a 96% drop in investment, highlighting a regional divergence in funding trends.

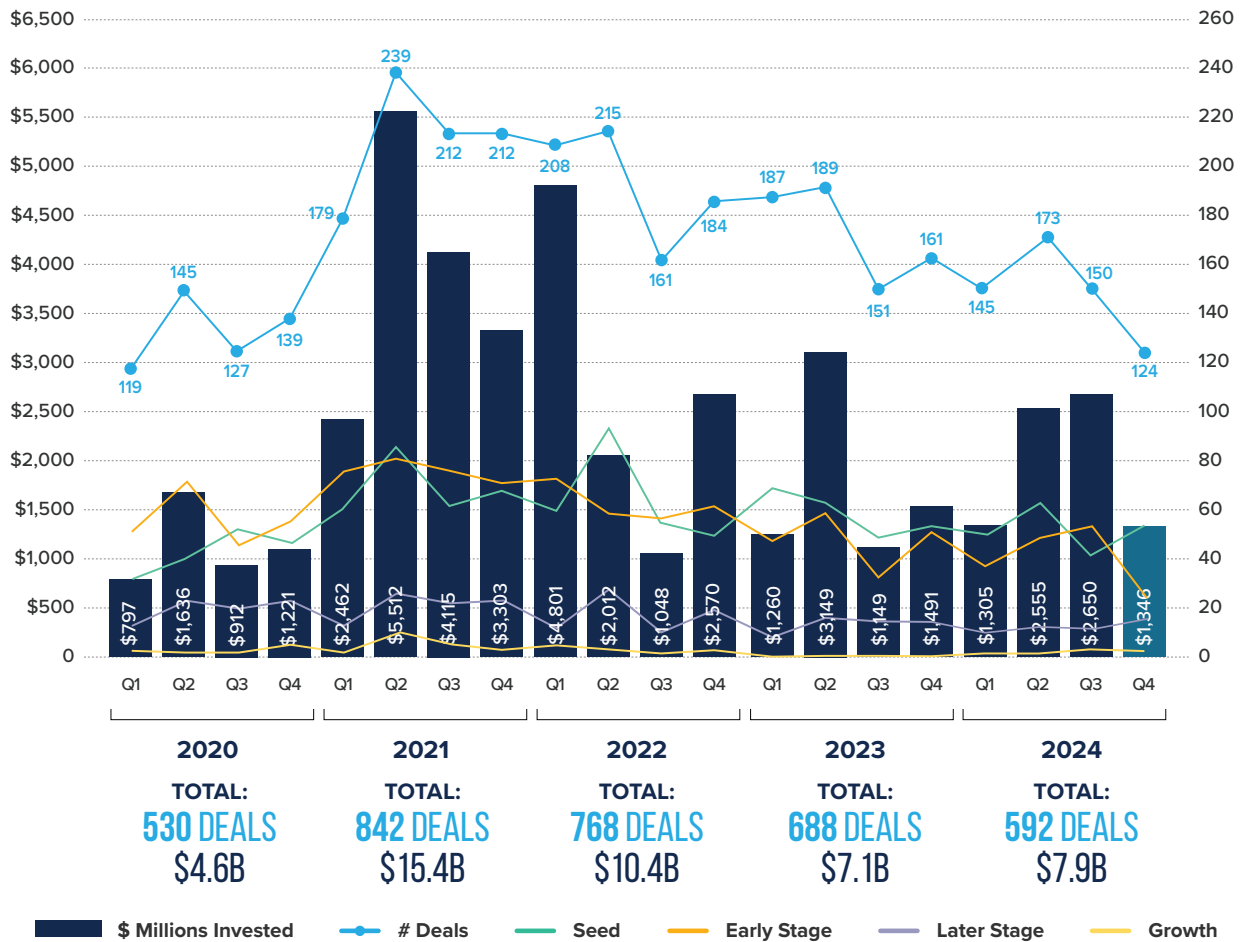
Atlantic Canada saw a decline in total investment, with every province except Newfoundland & Labrador experiencing a reduction of half of the levels observed in 2023. Newfoundland & Labrador was the standout, with investment nearly tripling from 2023, reaching \$81M across nine deals, mirroring the levels set in 2021. A significant deal in the province was raised by CAD collaboration software company, [CoLab Software](#), raising \$27M in a [Series B round](#) which included participation from CVCA members [Panache Ventures](#), [Killick Capital Inc.](#), and [Pelorus Venture Capital](#).

TOP SECTORS PER PROVINCE BY NUMBER OF DEALS



VENTURE CAPITAL INVESTMENT ACTIVITY

QUARTERLY ACTIVITY

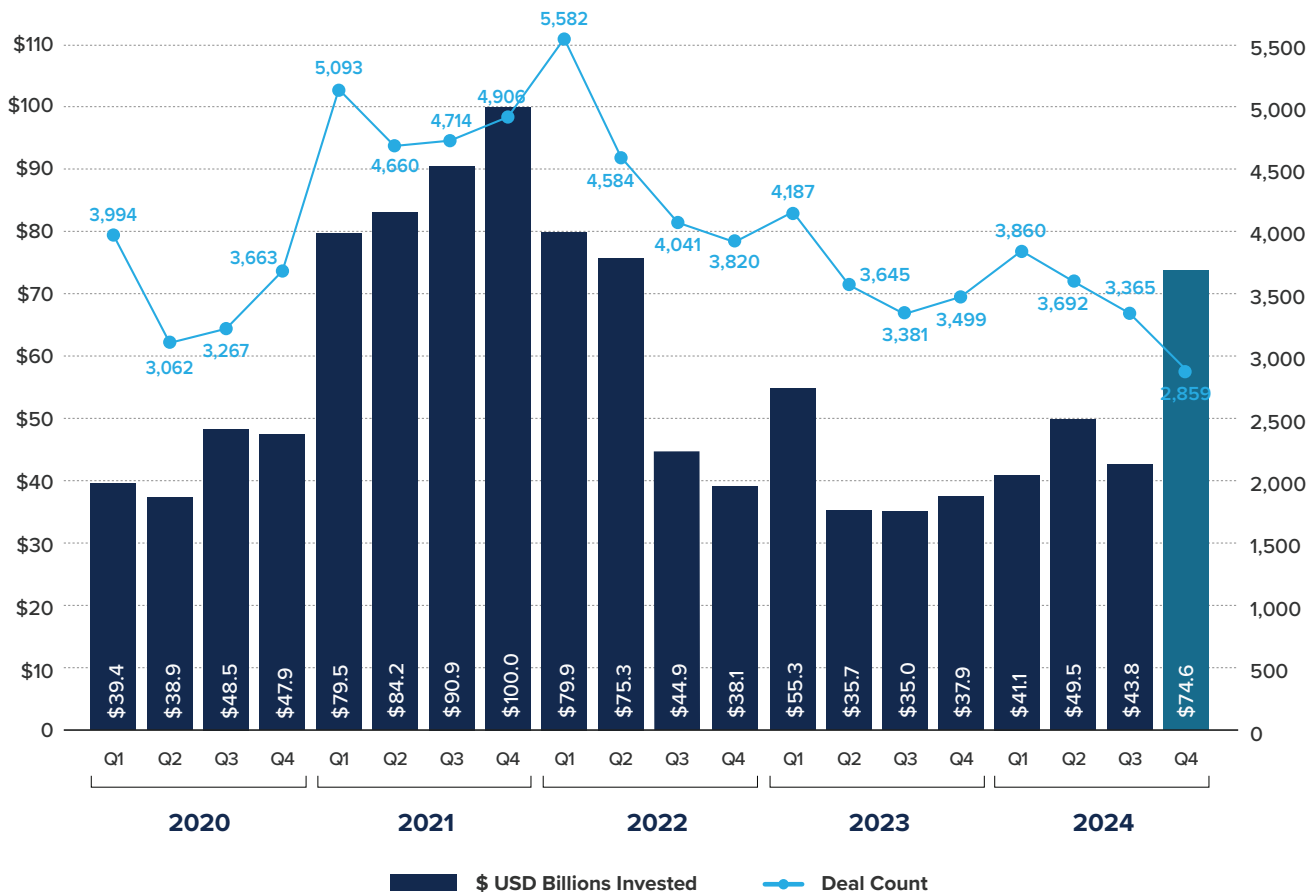


Q4 2024 followed a common decline, recording the year’s lowest deal count and second-lowest dollar value. It was also the smallest Q4 in the last three years, resembling 2020 levels and falling below the five-year average of 169 deals and \$2B invested. The quarter contributed 17% of total dollars invested and 21% of all deals in 2024.

A notable deal that closed this quarter was the [\\$175M Series C round](#) for [Alpha-9 Theranostics](#) led by Lightspeed Venture Partners and Ascenta Capital, with participation from CVCA member [Lumira Ventures](#).

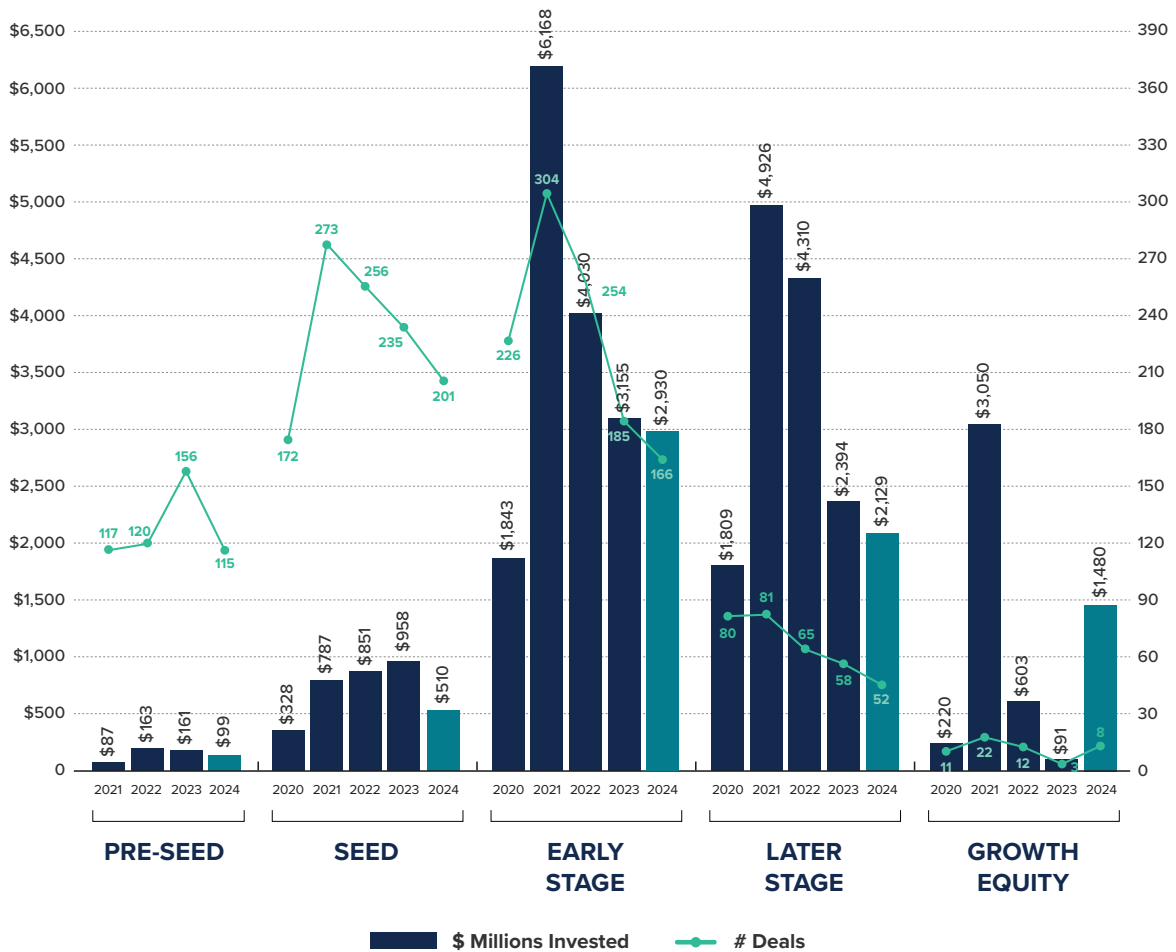
PitchBook data shows U.S. trends mirrored Canada’s until Q4 when activity increased, with \$209B invested across 13,776 deals and the average deal size rising to \$15.17M from \$11.01M in 2023.

▶ **US VC DEAL ACTIVITY BY QUARTER (2020-2024)***



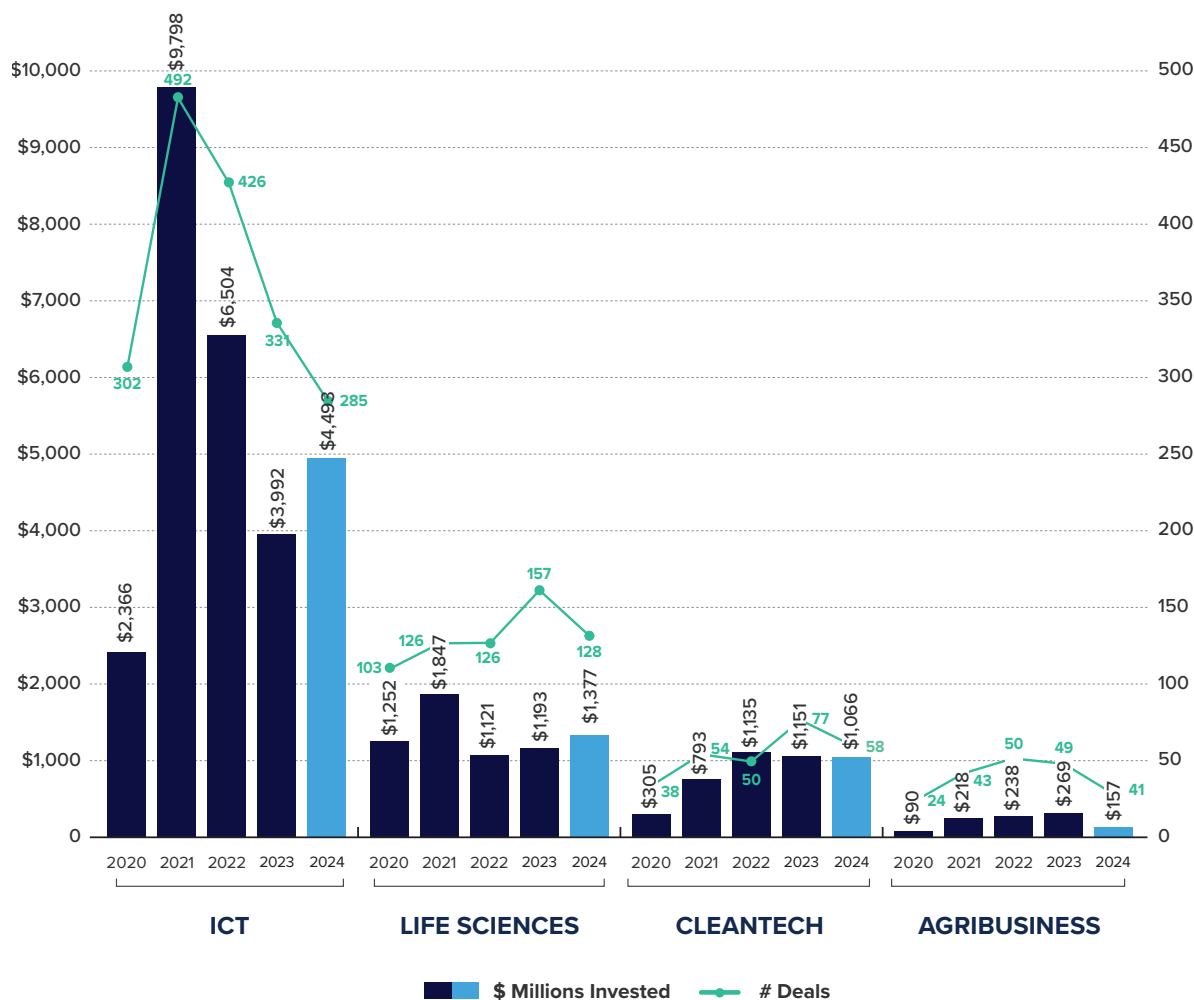
* Source: PitchBook

▶ VC YEAR-OVER-YEAR STAGE BREAKDOWN (2020-2024)



In 2024, venture capital investment concentrated on later-stage funding, with increased deal flow and capital deployment as early-stage companies backed in 2021–2022 matured and sought larger rounds this year. This shift reflects the natural VC cycle, but the first decline in pre-seed and seed funding since 2020 raises concerns. If early-stage investment remains low, it could result in a weaker pipeline for later-stage funding by 2026–2027, potentially slowing the growth of high-potential companies in Canada’s innovation ecosystem.

▶ VC YEAR-OVER-YEAR SECTOR INVESTMENT ACTIVITY (2020-2024)



Venture capital investment in 2024 saw ICT leading VC investment activity both with dollars invested and number of deals, followed by Life Sciences and Cleantech.

In 2024, ICT saw \$4.5B across 285 deals, reflecting a 12.6% increase in dollars invested despite a 13.9% drop in deal count year over year.

Life Sciences secured \$1.4B across 128 deals, continuing a multi-year growth trend with a 15.4% increase in dollars invested from 2023 to 2024.

Cleantech attracted \$1.1B across 58 deals, with the highest average deal size of \$18.39M, above the annual average of \$13.27M.

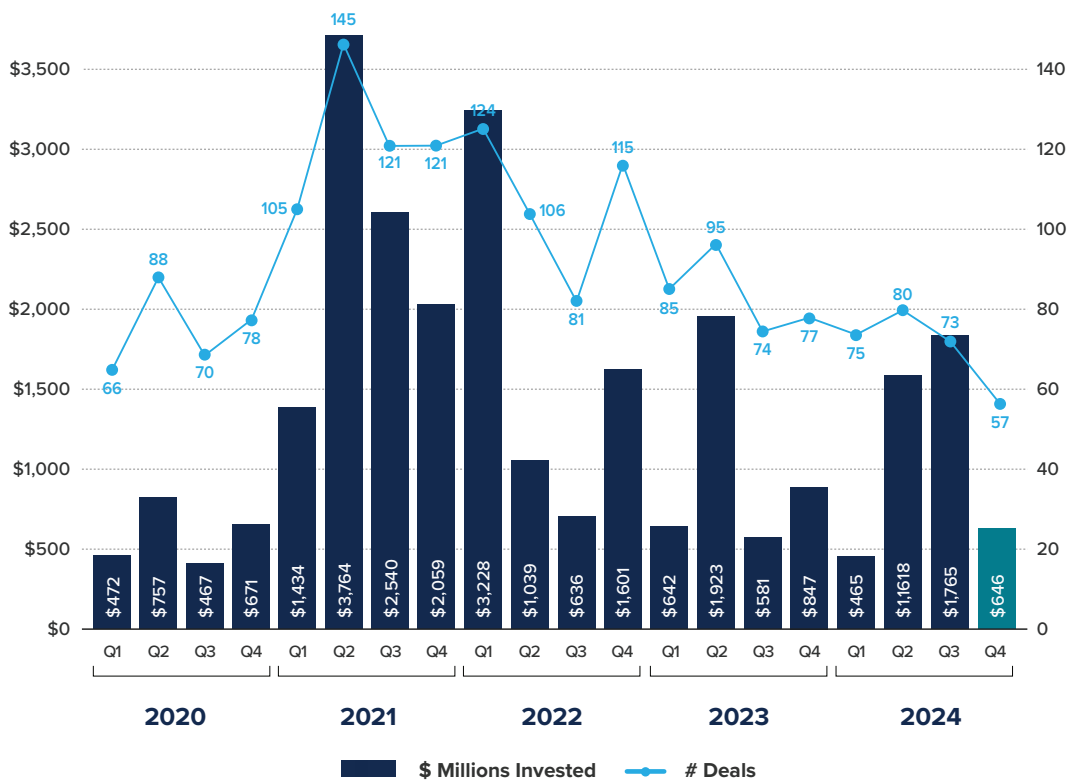
Agribusiness saw a 41.6% decline in investment, with \$157M across 41 deals, maintaining stable deal flow despite reduced capital.

VENTURE CAPITAL SECTOR BREAKDOWN

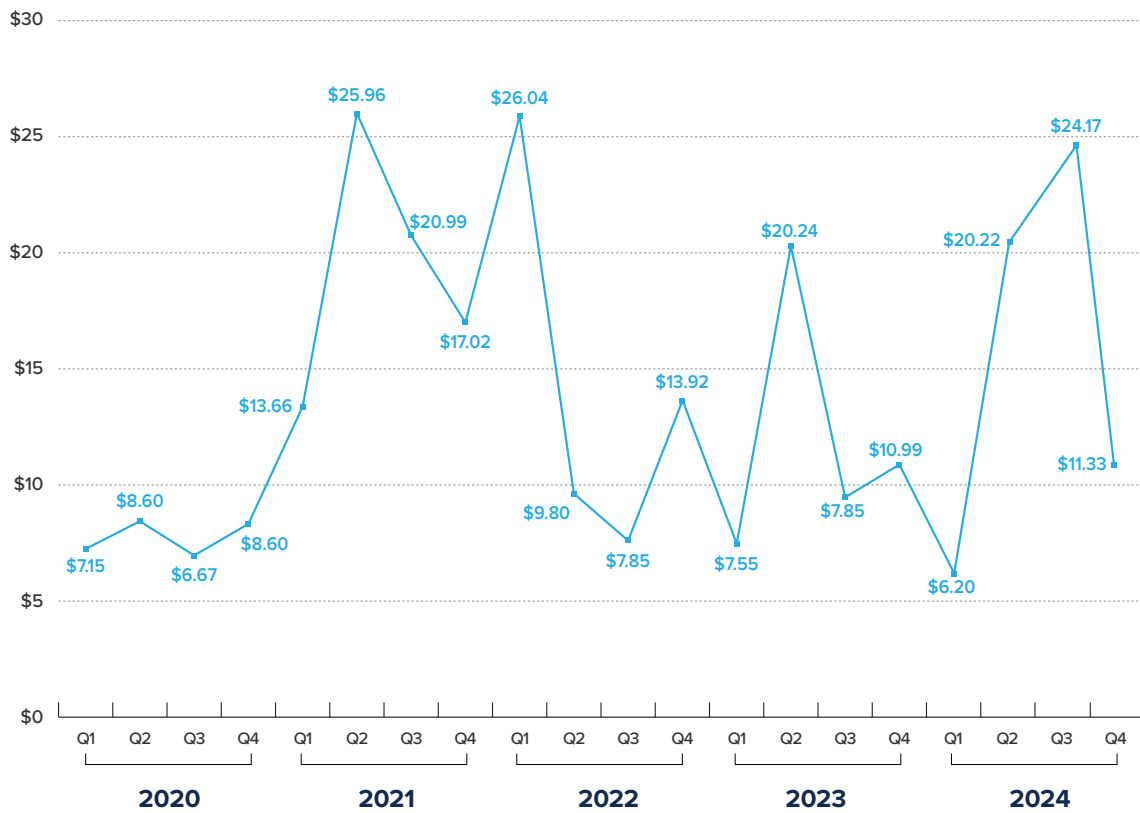
ICT

The ICT sector remained dominant in 2024, with Q3 accounting for the 40% of all investment in the sector, securing \$1.8B across 73 deals, while Q1 saw the lowest activity at \$465M across 75 deals. ICT investments accounted for 57% of total dollars invested and 48% of all deals, maintaining the same proportional share as 2023 but with higher overall activity. The average deal size in ICT was \$15.77M, surpassing the overall annual average of \$13.27M, though not the highest among other sectors.

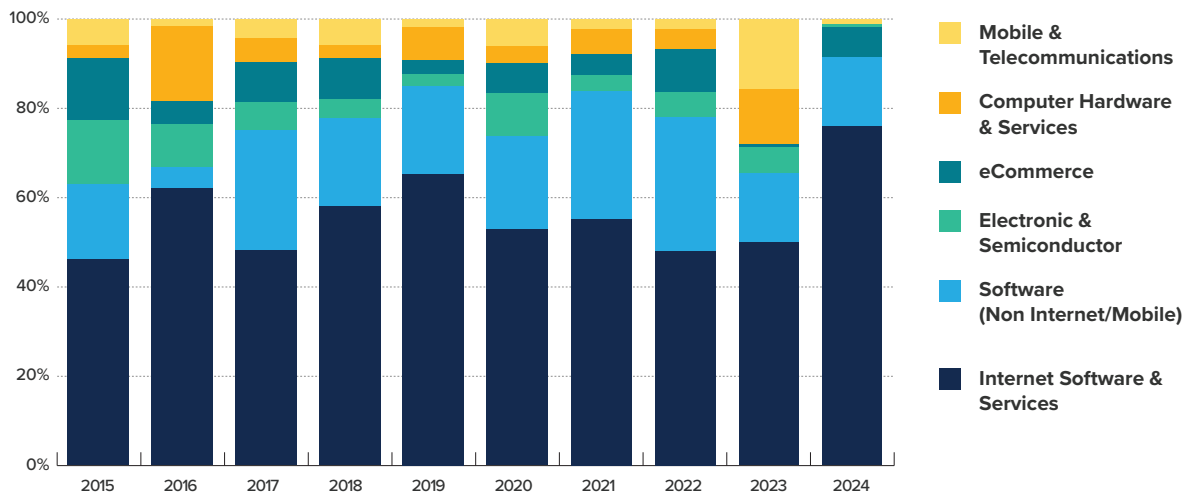
▶ QUARTERLY ICT INVESTMENT ACTIVITY (2020-2024)



▶ **QUARTERLY ICT AVERAGE DEAL SIZE (2020-2024)**



▶ **ICT SECTOR BREAKDOWN (2015-2024)**

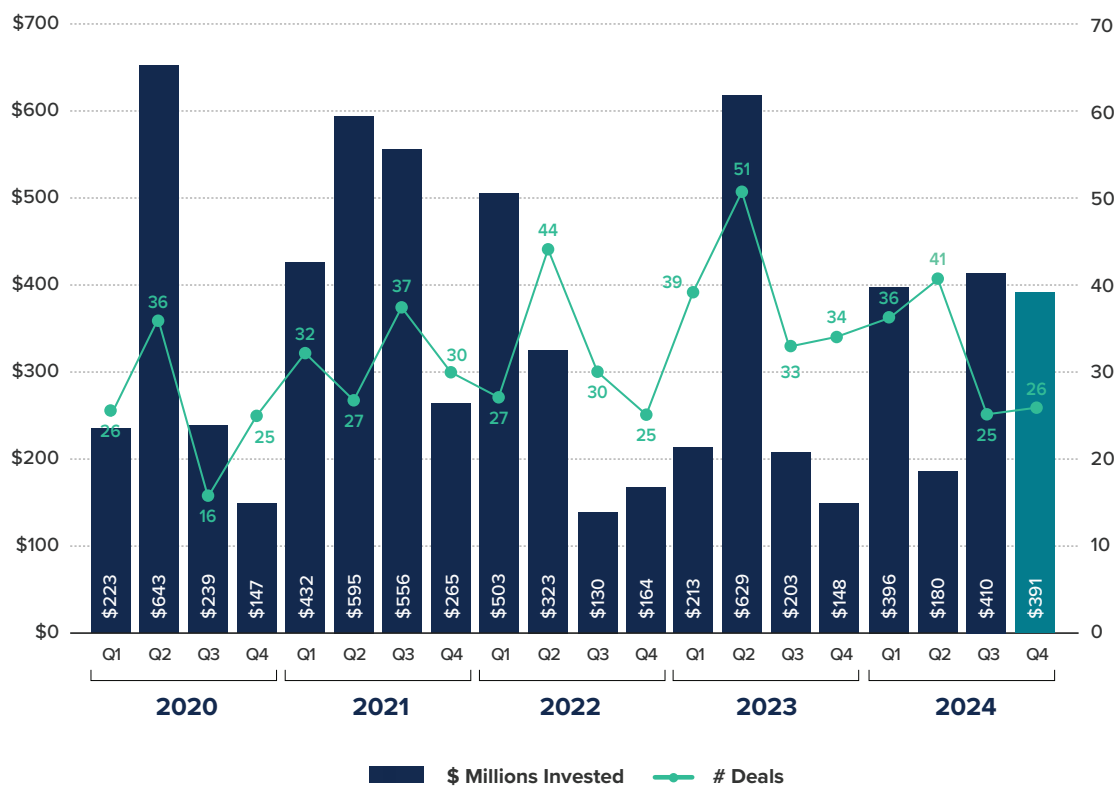


VENTURE CAPITAL SECTOR BREAKDOWN

LIFE SCIENCES

The Life Sciences sector saw the highest deal volume in Q2, while Q3 recorded the largest investment totals. In 2024, Life Sciences accounted for 22% of total deal VC count and 18% of total dollars invested, surpassing the five-year average in both cases. A significant level (44%) of dollars invested in the sector was raised by Therapeutic Drugs & Biologics companies.

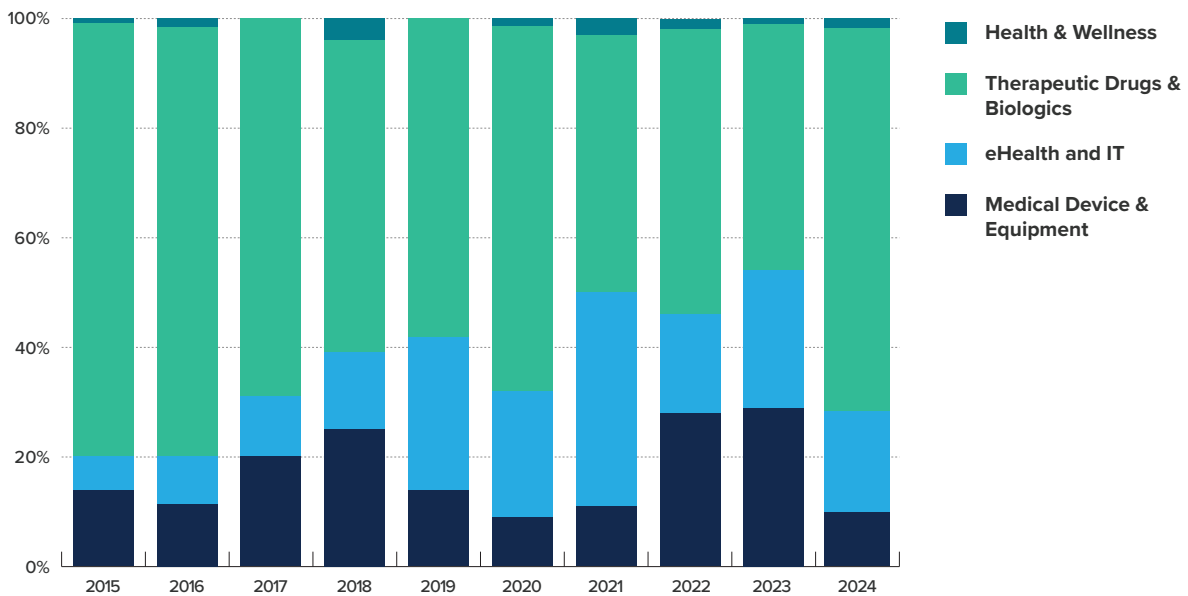
▶ QUARTERLY LIFE SCIENCES INVESTMENT ACTIVITY (2020-2024)



▶ **QUARTERLY LIFE SCIENCES AVERAGE DEAL SIZE (2020-2024)**



▶ **LIFE SCIENCES SECTOR BREAKDOWN (2015-2024)**

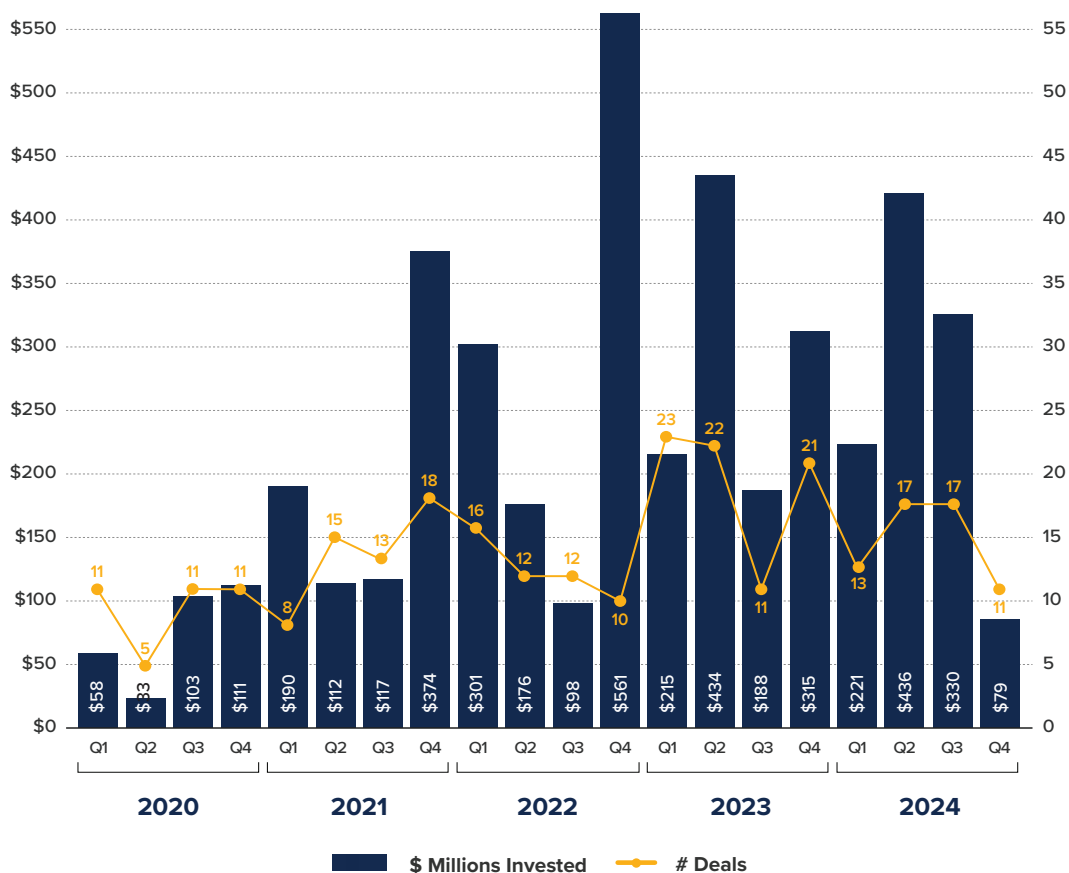


VENTURE CAPITAL SECTOR BREAKDOWN

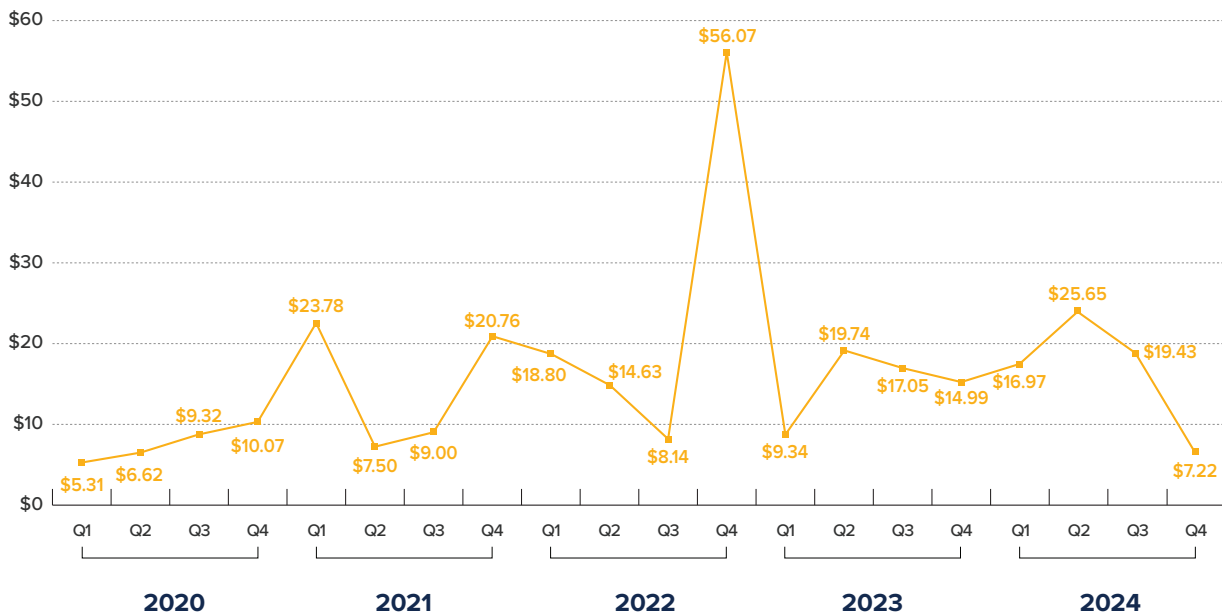
CLEANTECH

The Cleantech sector led in average deal size across all sectors in 2024, reaching \$18.39M per deal and representing 14% of total investment dollars. The average deal size was 25% higher than the five-year sector average, indicating that investors may be focusing on more mature, established companies amid market caution within the sector. Within Cleantech, the Alternative Energy Equipment subsector led overall investment activity, accounting for 64% of total dollars deployed in the sector.

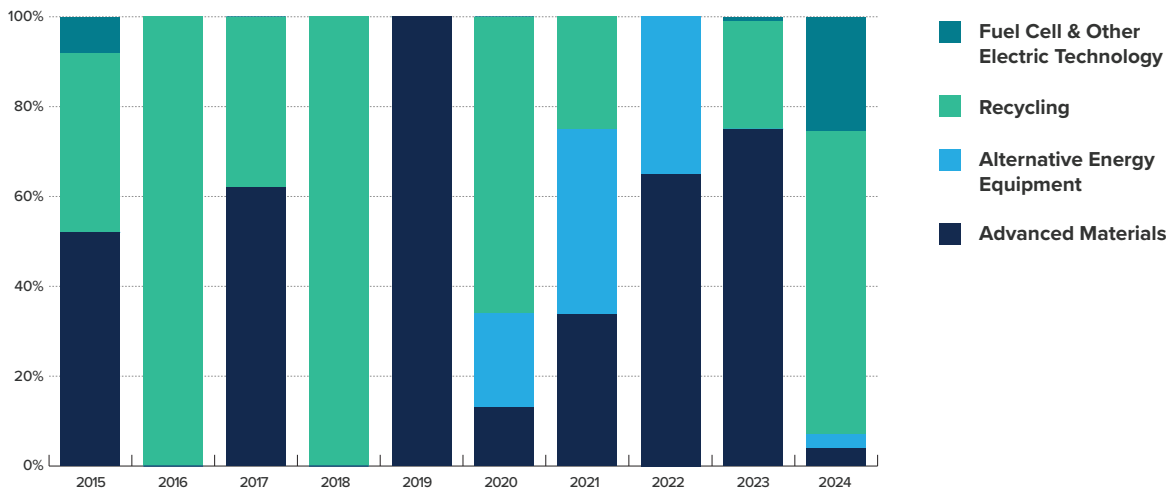
▶ QUARTERLY CLEANTECH INVESTMENT ACTIVITY (2020-2024)



▶ **QUARTERLY CLEANTECH AVERAGE DEAL SIZE (2020-2024)**



▶ **CLEANTECH SECTOR BREAKDOWN (2015-2024)**

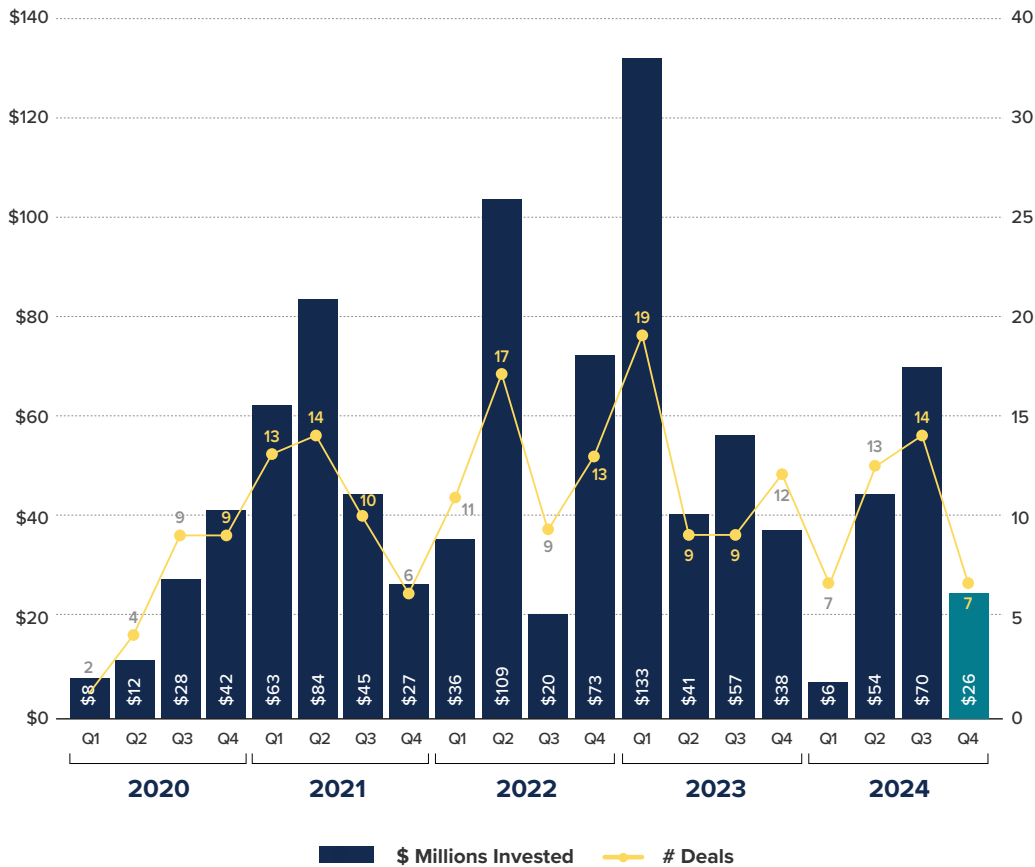


VENTURE CAPITAL SECTOR BREAKDOWN

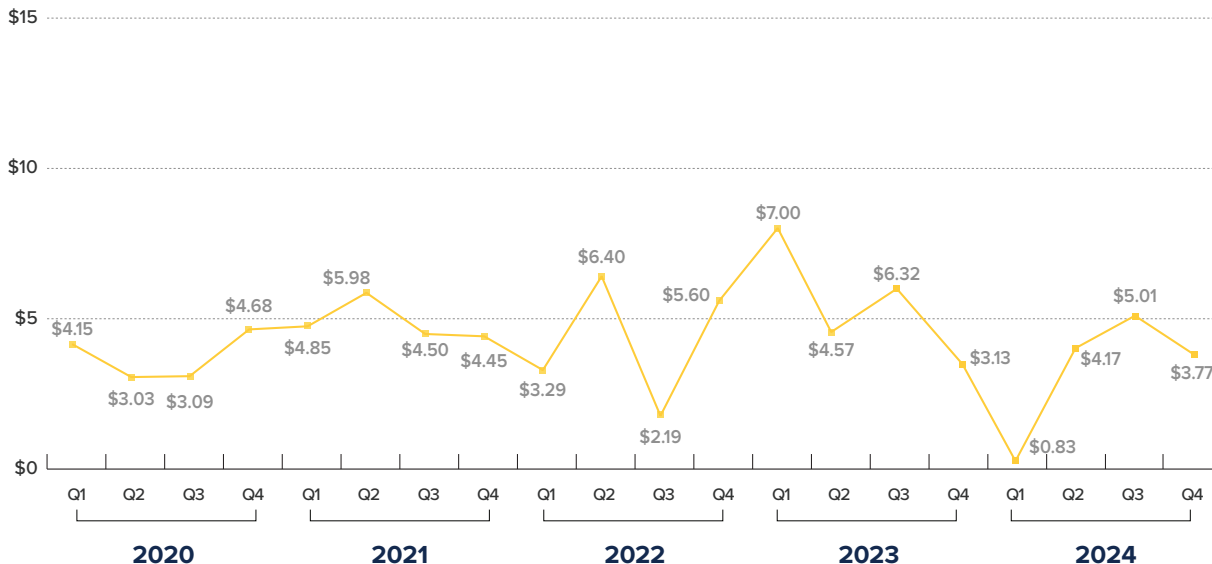
AGRIBUSINESS

The Agribusiness sector experienced a 42% decline in investment dollars and a 16% drop in deal count compared to 2023, with \$157M invested across 41 deals in 2024. The relatively low average deal size (\$3.82M) in the sector reflects a high concentration of pre-seed and seed-stage investments. Q3 saw the most activity, while Q1 had the lowest investment levels for the sector.

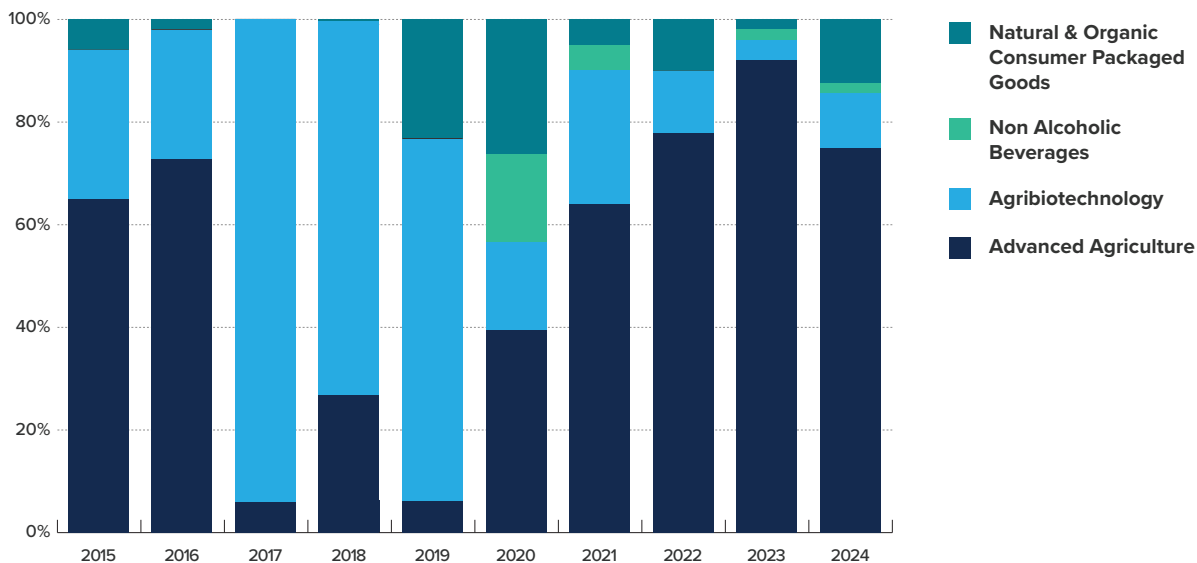
▶ QUARTERLY AGRIBUSINESS INVESTMENT ACTIVITY (2020-2024)



▶ **QUARTERLY AGRIBUSINESS AVERAGE DEAL SIZE (2020-2024)**



▶ **AGRIBUSINESS SECTOR BREAKDOWN (2015-2024)**



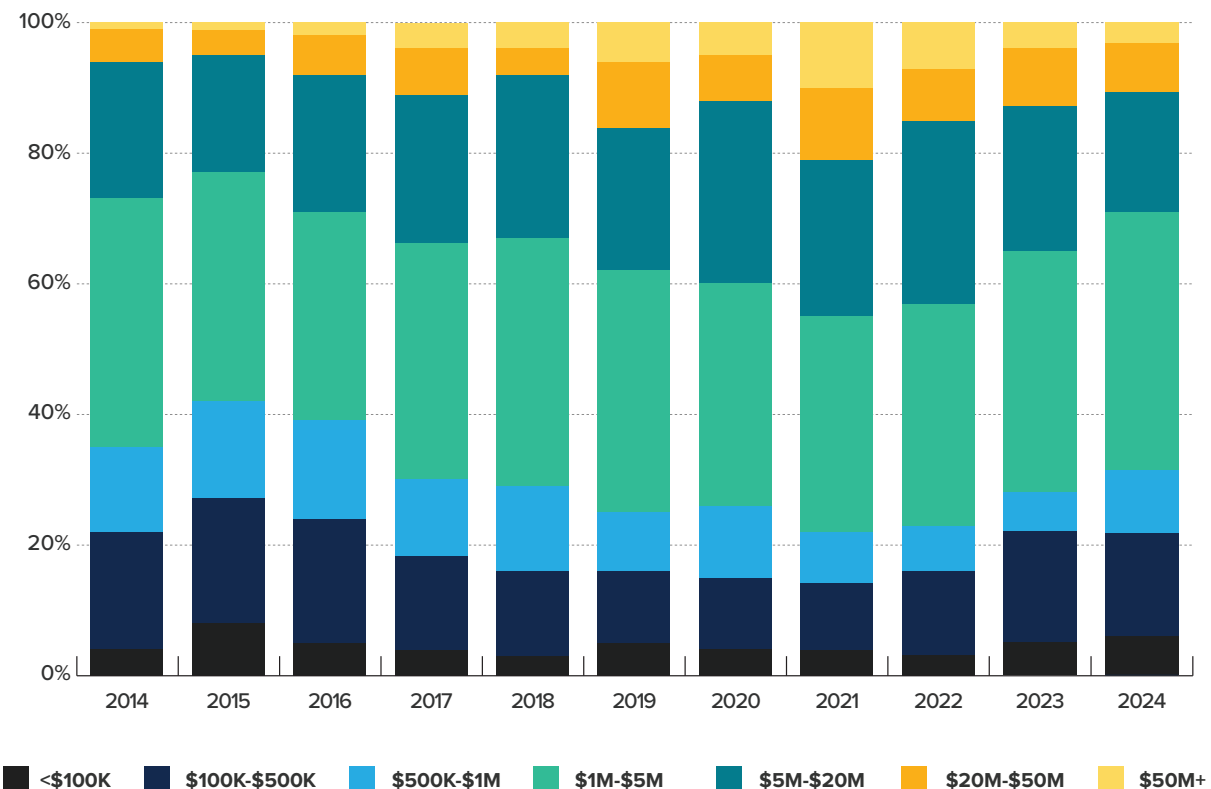
VENTURE CAPITAL INVESTMENT ACTIVITY

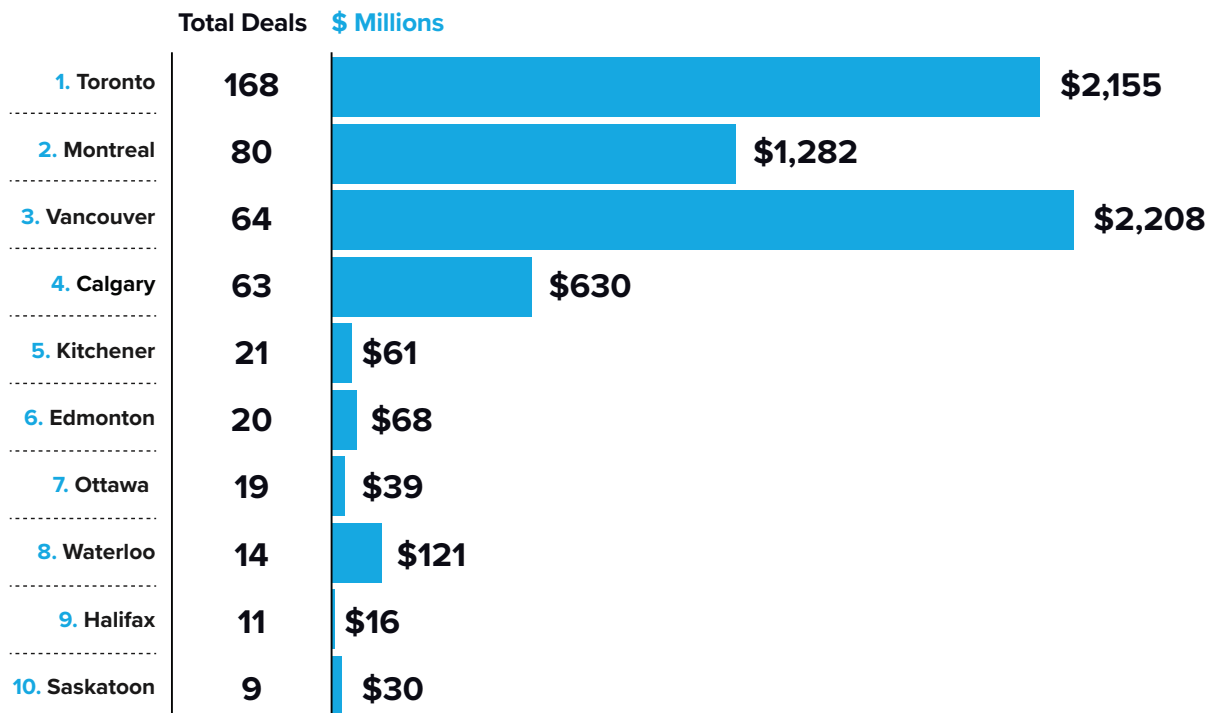
YEAR-OVER-YEAR ACTIVITY BY DEAL SIZE

In 2024, 83% of disclosed deals were valued below \$20M, with 36% in the \$1M–\$5M range and 18% between \$5M–\$20M, showing a similar deal size distribution to 2023 despite a 14% drop in total deals.

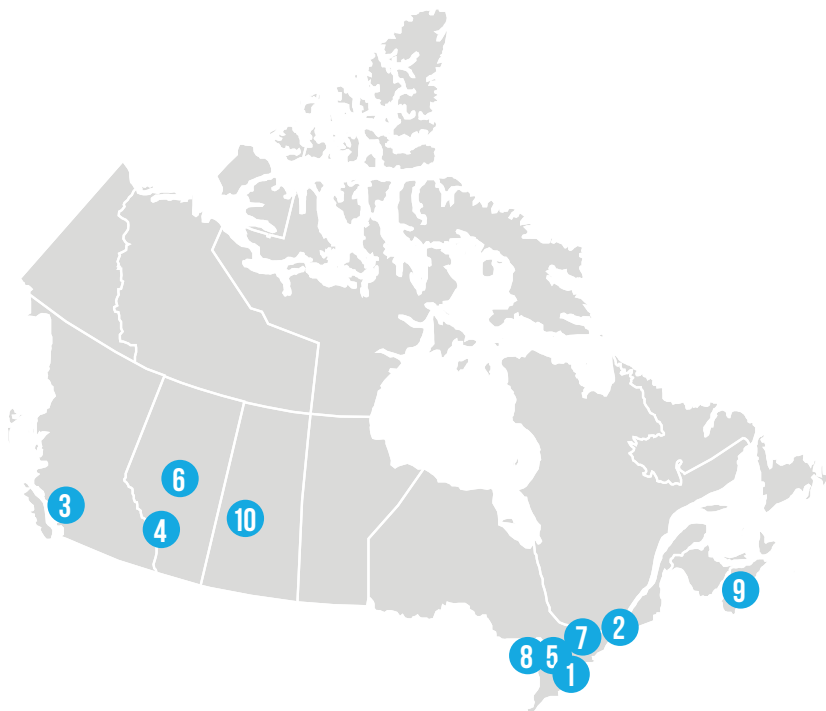
Meanwhile, VC mega-deals (\$50M+) saw fewer transactions year-over-year (34 mega-deals in 2023) but larger deal sizes, with 24 mega-deals totaling \$4.9B. The average mega-deal size doubled year-over-year to \$203.83M, reflecting a shift toward fewer but significantly larger late-stage investments.

Notable mega-deals include OpenAI & Deepseek competitor [Cohere.ai’s \\$616M Series D](#), and Toronto-Based long haul trucking automation company [Waabi](#) raising a [\\$275M Series B](#) from a consortium of US investors as well as CVCA Members [Radical Ventures](#), [Export Development Canada \(EDC\)](#), [BDC Capital Inc.](#), and [HarbourVest Partners, LLC](#)

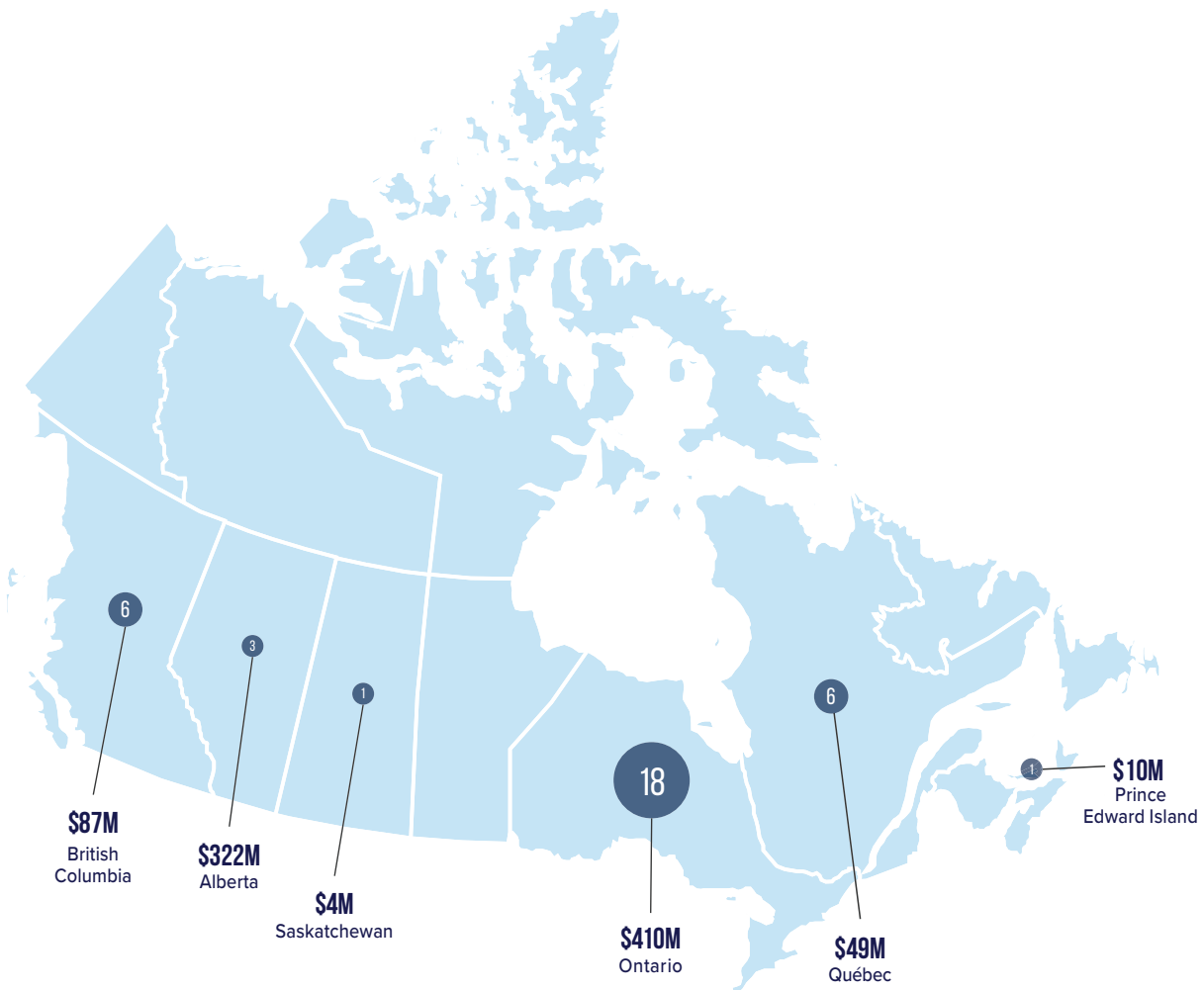




#1 TORONTO
\$2.2B
168 DEALS



VENTURE DEBT HEAT MAP



In 2024, venture debt recorded an all-time high, with \$881M invested across 35 deals, marking a 99% surge in dollars deployed despite a 33% decline in deal count.

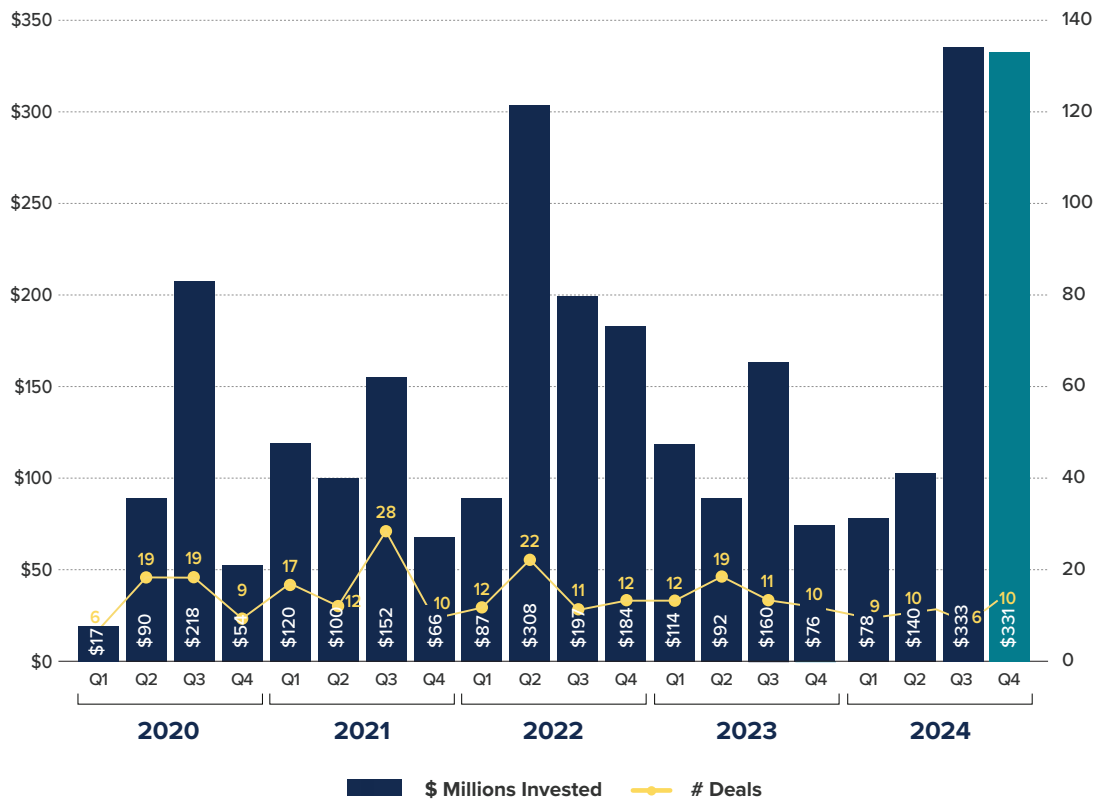
Q3 and Q4 accounted for 75% of all venture debt financing, highlighting a shift toward non-dilutive funding as startups face lower valuation metrics in recent years.

* Non-dilutive financings are not included in the overall Canadian VC activity

\$881 MILLION
total invested across
35 DEALS

VENTURE DEBT INVESTMENT ACTIVITY

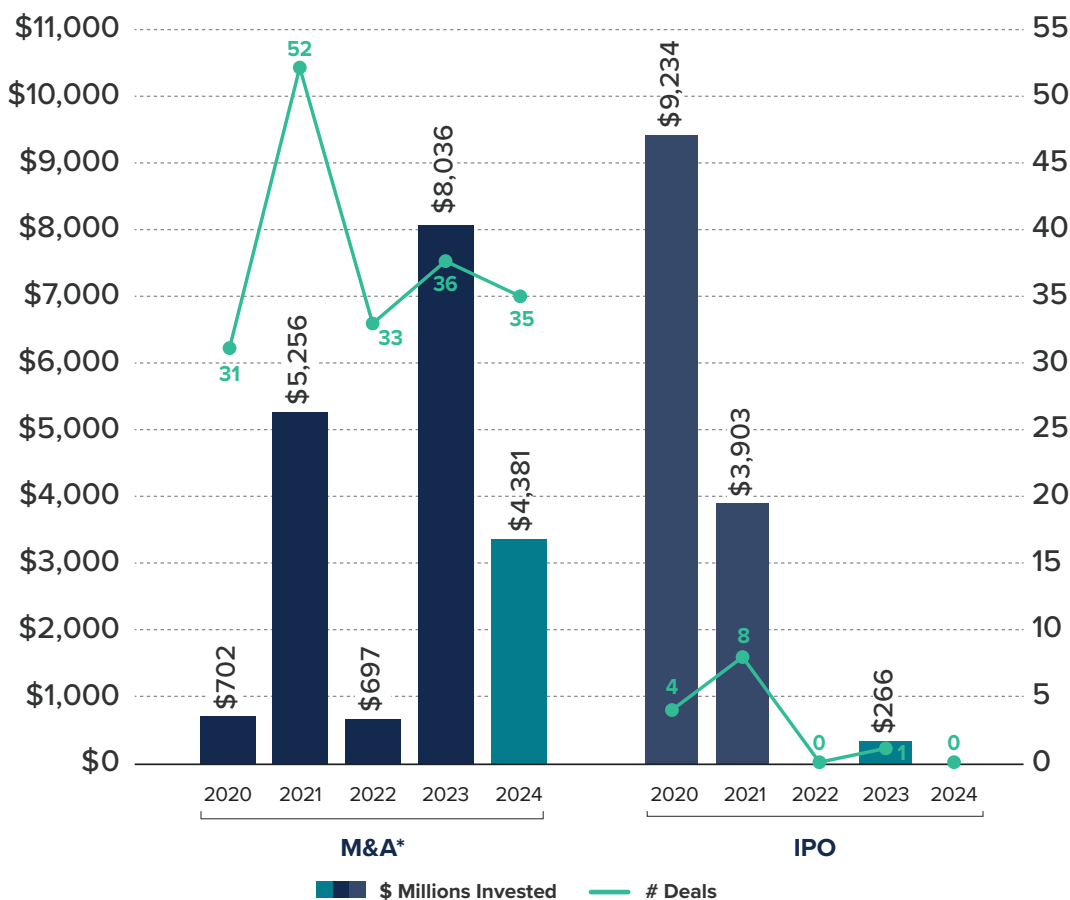
▶ QUARTERLY VENTURE DEBT FINANCING INVESTMENT ACTIVITY (2020-2024)



MOST ACTIVE FIRMS IN VENTURE DEBT FINANCING ROUNDS	# ROUNDS	SIZE OF TOTAL ROUNDS* (CDN\$ MIL)
CIBC INNOVATION BANKING	15	\$206
ESPRESSO CAPITAL LTD.	11	\$14
INVESTISSEMENT QUÉBEC	3	\$43

VC EXITS

Exit activity in 2024 remained lower year-over-year but still trended higher than pre-pandemic levels, driven almost entirely by M&A transactions. Investors realized \$5.2B across 40 exits, with M&A accounting for 87.5% of exit counts, valued at \$4.4B. Notably, there were no VC-backed IPOs, reflecting ongoing uncertainty in the public markets. Lower valuation metrics continue to deter IPO exits, though a potential rebound may emerge as market conditions improve and investor returns become more favorable.



* Includes transactions with undisclosed values ** IPO valuation

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