Welcome to the Plaza Ventures newsletter.
We're looking to deliver insight about opportunities in venture capital and the technology ecosystem, as well as updates about our portfolio companies.

Focused on Fueling the Growth of High-Performance Companies

In the federal government's recent budget, there were two major themes: were encouraging innovation and supporting high-growth sectors.

The focus on growth comes at a time when there is increasing recognition of a major funding gap within Canada's technology ecosystem. Studies point to a $1-billion shortfall in growth-stage financing for companies that have proven product-market fit and require capital to hire more talent to support and accelerate their sales growth.

Plaza Ventures identified this gap several years ago and we have positioned ourselves as one of Canada's leading investors at the 'early growth' stage, which in venture capital parlance means Series A and Series B financings. Our investment focus and proven track record puts us in the right place at the right time.

Our portfolio includes high-growth companies such as Q4, Miovision, StackAdapt and SweetIQ. On average, our companies have doubled their revenues year over year since we invested in them.

Our investment thesis focuses on fundamentals; identifying B2B companies with high-performing, metrics-driven business models with robust revenue growth and strong management teams.

2017 is a breakout year for Plaza Ventures as we look to scale our platform and raise more capital to reinvest in our dynamic portfolio.

Our latest fund - PV Fund IV - is designed to capitalize on this market opportunity. Two-thirds of the capital raised will be allocated to follow-on financing for five or six of our proven portfolio companies, while one-third will go towards four or five new Series A or Series B deals.

This formula, unique to our industry, provides investors with transparent access to known companies that need growth capital to scale their businesses, as well as access to later-stage startups that have potential for significant value creation in future years.

As we have done in our first three funds, the capital in Fund IV will be fully invested over the next twelve months. We have excellent deal flow visibility and we are committed to putting this money to work quickly and effectively.

To learn more about PV Fund IV, which closes at the end of April 2017, please contact Matthew Leibowitz.

Portfolio News

After conducting a national tour with a goal to recruit startups for its Scale-Up program, the Lazaridis Institute announced the 10 startups accepted into the program. The group includes two startups from Plaza's portfolio: PostBeyond and StackAdapt.

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PureFormulas, a fast growing U.S. e-tailer, launched a Mobify-powered Progressive Web App. Mobify's Progressive Mobile approach lets retailers provide customers with a faster, better experience through app-like page loads and a shorter time to checkout completion.

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Miovision launched Miovision Labs, a new division focused on leveraging transportation data and smart technologies. The company plans to work directly with cities to explore possible uses for connected traffic signals and related technologies.

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What We're Reading

Donald Trump's election could be a positive development for Canadian startups. A growing number of skilled employees are looking to immigrate, while the University of Toronto has seen a 70% jump in applications from U.S. students.

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What stage is "best" for VCs to invest in? When do they experience the highest valuation multiple increases? In reviewing a funding data report, Carl Fritjofsson discovered that Series A deals generate the best relative returns, especially when VCs participate in subsequent rounds.

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While the amount of VC in Canada hit a 13-year high in 2015, there is a troubling lack of capital for startups seeking growth capital. A report suggests the financing gap for Canadian late-stage companies is most critical in the $5-million to $20-million range.

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