Q WESLEY CLOVER QUARTERLY UPDATE

L-SPARK Enters the World of Corporate Accelerators

Echosec Intends to Make the Darknet a Little Less Dark

Looking Backward and Forward at the Latest Investment Trends

Wesley Clover

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Q is a quarterly publication of Wesley Clover, highlighting some of the latest accomplishments from the wide range of businesses in our portfolio. Visit wesleyclover.com for more information.

Moving Fast in a Changing Environment

Welcome to another issue of Q. The first Quarter of 2019 is already behind us, amazingly, and the business activities for me and the companies I am involved with continue at a rapid pace. In this issue, we take a look back at last year as well as ahead to the year well underway.

As you will read, investment activity in most parts of the world continues to climb. Innovation races forward. Opportunities for investment and growth keep increasing. In step with this, competition is getting more intense. And geo-political developments are serving to stir the business pots more than usual. Investors are taking closer looks at where they put their funds, and biasing much of their activity toward later-stage start-ups seeking larger financing to be concentrated on market expansion efforts.

This is the environment the Technology portfolio is operating in for 2019 and beyond. I feel good, however, about the steps the companies are taking. For example, Artificial Intelligence (AI) is an emerging technology disrupting so many industries. Portfolio companies such as Tutela, Solink and many others are embedding these capabilities into their product offerings now to ensure they remain leaders in their markets.

Wesley Clover SaaS Accelerator L-SPARK has recently embraced an additional business model, wherein they are partnering to build individual 'Corporate' Accelerators as well. The first of these has a heavy focus on Autonomous Vehicles and the development of a new ecosystem of start-ups addressing the emerging space. The second new Accelerator has a focus on security and its importance in the pending next generation of mobile networks and the Internet of Things (IoT) that will leverage them.

These recent moves and others bode well for the companies involved with L-SPARK. Similarly, as the healthcare sector currently ranks as the second-most attractive industry for US VC investments (read the article inside), we expect good things for start-ups such as our own Cliniconex. And the valuable intellectual property developed by all the portfolio companies provides a potential starting point for further innovation and partnering relationships for the new companies being formed under the Alacrity global start-up program in places including France, Turkey, India, Mexico and beyond.

The Wesley Clover companies in the Real Estate portfolio continue to attract and retain tenants and guests, and grow business accordingly. In the UK, the grand opening of the impressive new International Convention Centre Wales is getting ever closer, and everything appears to be lining up nicely for a successful launch.

So things are going well. I hope you enjoy reading the details in this issue of Q as much as I enjoy sharing them. Thank you for your interest in Wesley Clover and the businesses I am involved in around the globe.

Kind Regards,
Terry Matthews, Chairman

WESLEY CLOVER L-SPARK LAUNCHES NEW CORPORATE ACCELERATORS

L-SPARK, the leading SaaS Accelerator in Canada, has been busy developing new partnerships to build upon their legacy of helping innovative companies spring onto the Canadian and global technology stage. And the scope for the next start-ups they are working with is impressive.

Before we look forward, let's look at some of the recent accomplishments. The portfolio of companies who have passed through L-SPARK programs, plus the four in the current program, has now reached 47. Just under half of those companies have now accomplished the primary mandate of the program, which is to secure external funding. A total of $30.1M of new investment has been raised to date. This time one year ago, that number was $16.8M, which means almost half the new total was raised during the last 12 months. This suggests the investment community is paying ever closer attention.

To ensure the start-ups are well supported, L-SPARK struck new partnerships with both Stripe and Intercom late in 2018, and also strengthened existing relationships with Microsoft, Amazon, Google and others. These partners and the value-added services they provide are key to better enabling the start-ups for success.

While a couple months have passed already, it is worth noting the 2018 version of the flagship L-SPARK industry event, SAAS NORTH, attracted more than 1,200 delegates to Ottawa to hear from industry experts, network with some of the fastest growing SaaS companies, and learn how to scale their businesses in a globally competitive way. The

event continues to grow each year, and planning for the 2019 show is well underway.

Sticking with events, January saw the team conduct SaaS Showcase Toronto once again, bringing the current cohort and other invited companies to the key Toronto investment and start-up scene. Attendance exceeded expectations and several of the companies who presented continue to have follow-on discussions with those important audiences.

That event was replicated in Ottawa, with the biggest showcase to-date. More than 500 guests came out to support the family of start-ups, and expectations remain high for some attractive outcomes from the pitches.

So what next? We can guess how transformative the emerging autonomous vehicles industry will be. We can sense the importance of next generation wireless networks and IoT devices. We know how critical cybersecurity will be in these developments. In addition to the ongoing SaaS Accelerator, L-SPARK has recently established key new partnerships that enable the team to participate actively in these emerging industries.

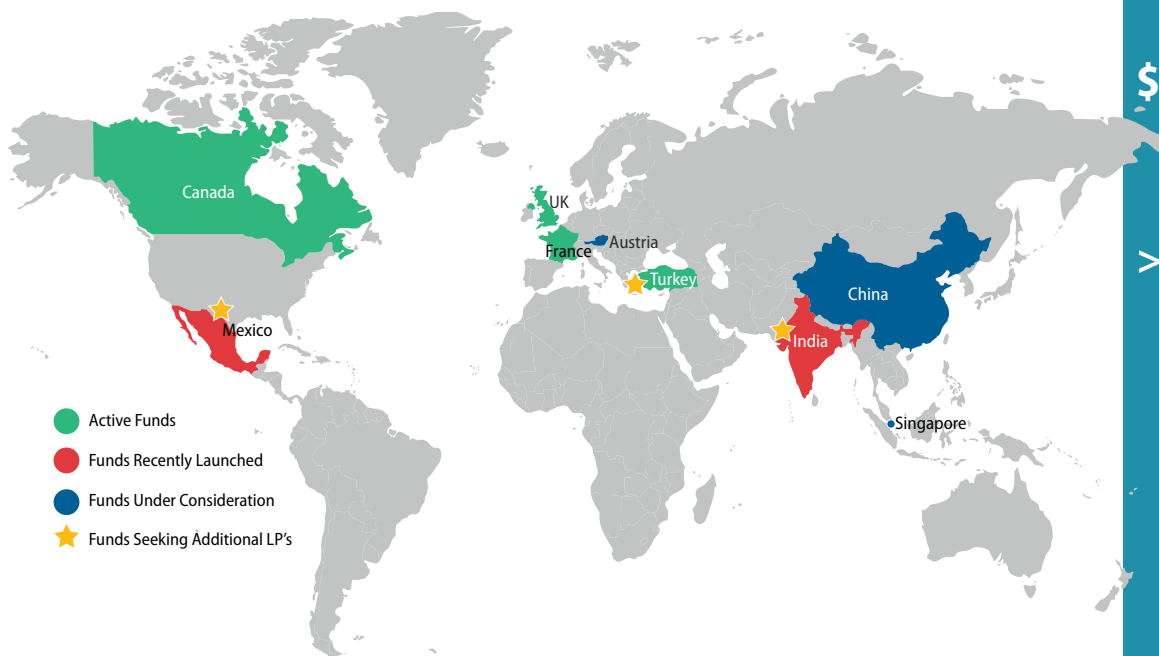The first of the new relationships to be unveiled publicly is the launch of the

BlackBerry/L-SPARK Corporate Accelerator. This partnership is focused on creating innovative new solutions that leverage the **Blackberry QNX** software platform. Among the applications, BlackBerry QNX is the most successful platform for building secure software solutions in the connected and autonomous vehicle market. Under the new partnership, BlackBerry will help start-ups research and develop product prototypes in not just autonomous vehicle applications, but also in the areas of robotics, device security, sensor fusion (e.g. LiDAR, radar, cameras and GPS), functional safety, analytics and medical devices.

This represents a shift in Accelerator mission, emphasizing first products over revenue and sales, but it is an approach both partners want given the early state of these application markets. L-SPARK and BlackBerry announced the **first seven companies** to join the new six-month Accelerator program recently. The first cohort includes portfolio company Martello, cybersecurity firm Bluink and automotive software developer Evolved Vehicles Environments, plus four other companies from across Canada. The hard work is already underway.

Another program L-SPARK is committed to for 2019 is turning their Female Founders and Funders event into an annual occurrence. This year, they are looking to partner with others in the Ottawa ecosystem to make it more inclusive and robust. 2018 was a strong year for L-SPARK and for the Canadian tech and start-up ecosystem. And there are plenty of reasons for even more optimism as 2019 rolls on. **l-spark.com** ⊙

The Latest Round-Up From Alacrity Global

The Alacrity Global team provided the following data as a summary of the scale and progress of the Wesley Clover start-up fund initiative to date — an evolving program with a global reach.

alacrity

- ● Active Funds
- ● Funds Recently Launched
- ● Funds Under Consideration
- ★ Funds Seeking Additional LP's

Canada, UK, France, Austria, Turkey, Mexico, India, China, Singapore

Investments Under Management*
$50,000,000

Cumulative 2018 Revenues*
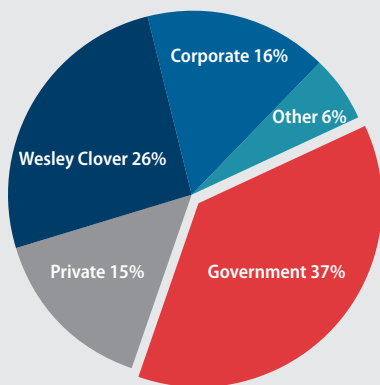## >$25,000,000

Active Start-Ups
30

Start-Ups with Follow-on Investment
10

* Estimated

Start-Ups Seeking Investment
❋ Cliniconex ❋ English Ninjas ❋ Segmentify ❋ Twentify ❋

Investment Composition
- Corporate 16%
- Other 6%
- Government 37%
- Private 15%
- Wesley Clover 26%

Investment Stage
- Series A 4%
- Pre-Series A 12%
- Seed 38%
- Pre-Seed 46%
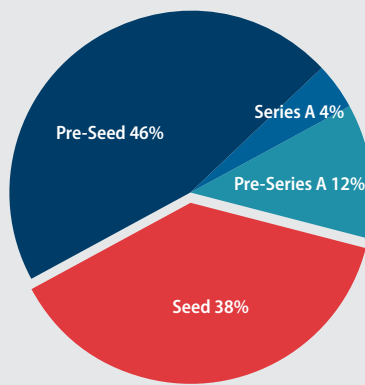
Revenue Composition
- Turkey 20%
- L-Spark 6%
- UK 2%
- Canada 72%
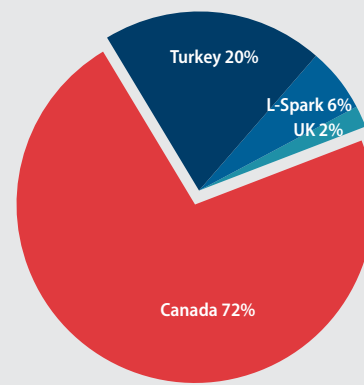
TUTELA BUILDS MORE MOMENTUM IN 2019

The latest Quarter continued the rapid growth for portfolio member **Tutela**, the mobile device experience measurement company. The team secured a number of large new business deals, including a global agreement with Telefonica that will see Tutela SaaS used as the standard for customer experience measurement across the global Telefonica operations. Tutela also deepened their partnership with Millicom (operating under the TIGO brand) with an agreement to extend the initial, successful deployment of the software in the region to a full roll-out that will encompass seven Latin American countries.

Tutela user experience data, currently sourced from more than 250 million devices worldwide, provides the most comprehensive picture of mobile end-user connectivity. Network operators use this information to benchmark and monitor their infrastructure performance, optimize and maintain customer services, and ensure their investment and upgrade strategies continue to align with their market and customer needs.

As a way to keep network benchmarking front-and-center for its target customers, Tutela recently introduced a primary new metric, called Consistent Quality. Rather than measuring 'potential' network speed, this new metric helps quantify the actual levels and quality of service that users experience. This data gives operators an accurate and balanced understanding of that customer experience, and help guide decisions around everything from marketing to competitive positioning to support to infrastructure upgrade policies.

The Consistent Quality feature was released along with the successful Tutela 2018 US Mobile LTE Network Quality Report, which marks the next step in the content marketing strategy the company has embraced. This report gained added reach by being replayed in key industry media, including a piece in FierceWireless.

Groundwork laid at the end of 2018 is supporting the ambitious strategy Tutela has embarked on for 2019, including plans to launch services in Asia, the Middle East and Oceania, as well as to continue growth in markets across Europe, North and South America. Just in the last month, Tutela has launched successful marketing campaigns in the Nordic region and in South-East Asia, securing initial customer trials in both regions. On the product development side of the business, the company recently launched an updated SDK (software development kit) that will now collect metrics on mobile video quality as well as voice connectivity.

Exceeding the growth Tutela achieved in 2018 will not be easy, but with additional global resources and a growing industry reputation, the company is confident they have what it takes to do just that. **tutela.com** ⭕

TUTELA▼

ECHOSEC SHINES LIGHT ON THE DARKNET

This past Quarter, the team at **Echosec** added a major new offering to their SaaS portfolio. In addition to the existing location-based social media data aggregation and intelligence platform, the company launched 'Beacon', a proprietary new search tool that enables users to navigate the Darknet quickly and easily.

Darknet is an umbrella term used to describe the encrypted portions of the Internet not open to public view, as well as hidden networks whose architecture is superimposed on top of the Internet. It is considered by many to be part of the Deep Web, and is often associated with illicit online activities such as hosting unsavory or illegal information, facilitating the sale of restricted goods such as arms trading, or hosting illegal marketplaces such as the infamous Silk Road online drug bazaar. On the other hand, it is also used to protect online dissidents from political reprisal, facilitate news leaks or whistle-blowing, and circumvent government imposed network censorship.

The Darknet is architected to listen to and receive information from the open Internet, and enable the exchange of messages and other content, but to do so anonymously. The computer servers connected to the Darknet don't appear on any network lists and don't respond to detection techniques such as pinging or other inquiries. As a result, they remain 'hidden' or 'dark', and the content they contain cannot be indexed or searched in any of the established ways.

For legitimate enterprises, this can represent an area of online exposure and threat. Echosec has designed Beacon as a powerful tool to investigate and mitigate such threats. Beacon is an extension to the existing Echosec platform, and is a fully indexed Darknet search engine with a user interface similar to that of Google. It operates without the need for the existing Tor Darknet browser.

Beacon is the most recent addition to an Echosec portfolio focused evermore on the Enterprise customer. And this strategic shift has resulted in an impressive 340% growth in company revenues over the past year. To keep this momentum going, the team is busy with a full conference schedule over the next Quarter, exhibiting at RSA San Francisco, presenting at the ESRI Canada Security Summit in Ottawa in May, and exhibiting at the NRF Protect conference in Anaheim in June. Offering a dynamic, online data intelligence engine with the ability to surface key data from social media posts, blogs, news feeds and now the Deep Web and Darknet, the Echosec message is definitely making waves. *We expect to share more strong results going forward.* **echosec.net** ⭕

Echosec™

MARTELLO GROWTH ACCELERATES FOLLOWING IPO, NEXT ACQUISITION

Ottawa-based **Martello** closed 2018 ready for continued growth after debuting on the TSX Venture Exchange, acquiring IT Analytics software provider Savision and bolstering the company leadership team before year end. The mission remains set on bringing clarity and control to complex digital environments, with products that monitor, manage and help optimize IT infrastructure.

The **acquisition of Savision** in November 2018 brought added IT and network performance management capabilities to the portfolio. **Savision software** allows users to visualize IT management data such as performance metrics, outage details and other incident information. The acquisition also added key European sales resources to the company, and enabled former Savision CEO Stefanie Richheimer to join the Martello leadership team as Chief Revenue Officer.

As the product offerings continue to expand, so does the ability to solve complex network issues, such as those associated with the Internet of Things (IoT). To that point, Martello was one of six Canadian companies selected recently to participate in the new **BlackBerry/L-SPARK Accelerator Program**. BlackBerry/QNX is now teaming with Martello to research and develop high performance services to support the Internet of Things (IoT), including the rapidly emerging world of autonomous vehicles.

These developments are adding to a list that is providing the company with very positive industry recognition. Martello was the first Ottawa-headquartered technology company to go public since 2015. The technology was recognized by Frost & Sullivan with a **Price and Value Leadership Award for NPM** (Network Performance Management). The IEEE presented Martello with the **Outstanding Information & Communications Technology Company (ICT)** Recognition Award. And the company also **accepted two awards** from the Best Ottawa Business Awards (BOBs) for "Deals of the Year: Private Equity" and "Best Business".

A strong run of recent success indeed, and we look forward to more to come. **martellotech.com** ◗

CELTIC MANOR RESORT WINS BEST UK HOTEL AWARD, AGAIN

The **Celtic Manor Resort** has once again been named the Best Hotel in the UK at the prestigious Meetings and Incentive Travel Awards gala in London. The five-star venue in South Wales regained the Gold Award and has now been voted the Best Hotel eight times in the last nine years! Confirming its position as the leading destination for events in the UK, the resort held off strong competition from five other shortlisted venues, including The Belfry (Silver Award winner) and Chewton Glen (Bronze Award winner), to retain the coveted top recognition.

More than 1,300 guests attended the Awards gala dinner, held at the Battersea Evolution and hosted by TV presenter Gethin Jones. Highlights of the evening included a special welcome from Only Boys Aloud, and a celebration of Wales that included singer Sian Evans belting out the hit track, Louder.

In receiving the Award, Celtic Manor Resort Chief Executive Ian Edwards said: "This has been another amazing year of business growth at Celtic Manor and we are delighted to be named Best UK Hotel once again. What is most pleasing about this award is that it is voted for by the industry professionals who are our conference and events clients. It is reassuring to know we are regarded for exceeding their expectations. This award is thanks to our entire Resort team who work hard to make such achievements possible."

Mr. Edwards continued, "It was a fantastic way to cap the night we formally announced to the UK meetings industry the ICC Wales as a new venue and Wales as a destination for business events. All the industry movers and shakers were in attendance."

The International Convention Centre Wales will include a 4,000 square metre pillar-free main hall, a 1,500-seated auditorium, 12 flexible meeting rooms, a double-height glass atrium and a 2,500 square metre outdoor plaza. The Celtic Manor Resort complements the new venue with its existing four hotels, 10 executive Hunter Lodges, three championship golf courses, seven restaurants, luxury spas and team-building adventure activities.

The combined facilities are located at Junction 24 of the M4 motorway, just two hours by road or rail from London. They create a unique environment for holding conferences and events. ● **celtic-manor.com**

Solink Secures $16.3M to Grow Business Intelligence Platform

Portfolio company **Solink** continues to evolve their disruptive SaaS platform, integrating client surveillance and transaction data into a single user-friendly dashboard that combines detailed images and information from key business activities, including monetary, customer service, health and safety and other engagements.

And market demand continues to grow. Brick-and-mortar businesses of all types today are evolving. They must, in order to meet customer expectations that are higher than ever, and fight competition from on-line alternatives that are only increasing. Part of this evolution includes embracing newer, more powerful, more flexible business tools that are easy to use and provide a clear return on the investment.

This describes the Solink customer value proposition accurately. And this January, that successful value proposition attracted a significant new investment in the company. Chicago-based Valor Equity Partners led a new financing round that resulted in $16.3M of Series A funding to enable Solink to accelerate its current growth path and meet increasing demand for its technology.

Also participating in the oversubscribed round were existing investors Generation Ventures, ScaleUp Ventures and BDC IT Venture fund. The new money will be used to grow the development and sales teams as well as the customer support organization.

In commenting on the new investment, Jon Shulkin, a partner at Valor Equity Partners said, "We are excited to be partnering with Solink. We began our relationship with the company as customers through a portfolio company of ours, and immediately saw value in the Solink platform. The team commitment to innovation and customer experience is a big part of what compelled us to invest in the company. Solink has a vision to revolutionize the value and use of security cameras in businesses. We are a fan of that."

Solink CEO Mike Matta knows that securing this funding will allow the company to grow in exciting new ways. He stated, "This new round of funding will enable us to scale the company and continue cementing our position as a leader for B2B video and data intelligence. We have a focus on helping customers grow their businesses, and it is working out well."

Solink is capitalizing on the inherent yet untapped value of several existing business systems. By synchronizing and adding intelligence to the terabytes of data captured by Point-of-Sale (POS) and video surveillance systems, raw data is transformed into a tool for business insight and action. Clients now use Solink technology for daily inventory auditing, health and safety monitoring, suspicious transaction, shoplifting and other loss-prevention investigations, and more.

The Solink platform allows managers to spend less time scrolling through video footage to find what they need. It highlights specific incidents that require attention, and gives users the whole picture in a single click of a mouse. It enables managers to increase efficiencies and reduce losses.

"We love hearing that our product helped business owners get more time with their kids, or helped a manager solve a policy or security issue in just a few clicks," Matta shared. "Business intelligence, when used properly, is powerful. But when we integrate video as a layer of information, we disrupt the traditional concept of BI. We add truth and context that can't be repudiated."

This is a combination that sounds like a great investment to us ... **solink.com** ●

Global Growth Continues for Turkish Company Segmentify

A member company of the Alacrity Turkey start-up fund, **Segmentify** has developed technology to deliver personalized, relevant suggestions and recommendations to ecommerce customers through multiple marketing channels including personalized push notifications and emails. The purpose is to enable client businesses to increase online sales, customer loyalty and repeat purchases.

The company continues to evolve its machine-learning-based SaaS platform and increase its market penetration. By the end of last Quarter, Segmentify increased its customer base by 10% and covered 16 countries including large markets in Germany and the UK. This customer growth yielded an increase of 25% in Monthly Recurring Revenue (MRR — a key SaaS industry metric).

Proving the ability to meet the scale and ROI demands of global brands, Segmentify "onsite personalization widgets" were used to improve 13.32 billion online shopping experiences and helped generate £412 million in targeted sales for clients in 2018.

Ergin Eroğlu, CEO of Segmentify, commented on these results, saying, "With our new products, we provide clients with an omni-channel personalization platform that allows them to build individual but unified relationships with their customers on multiple marketing channels. Email campaigns are still a strong tactic, and they are a great way to keep in touch with customers and remind them about their favourite products. However, now that everyone is doing that, leading brands are looking for ways to differentiate their marketing programs. And our ecommerce personalization capabilities are among the best new tools."
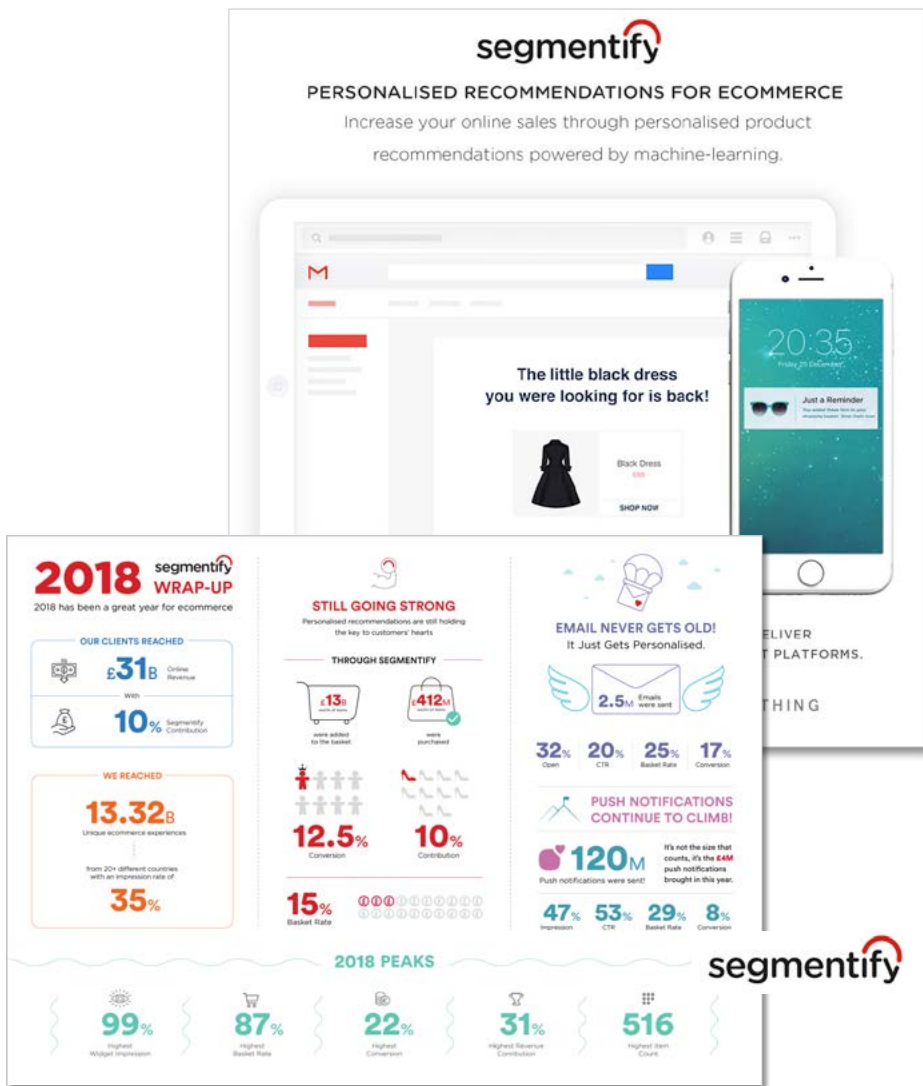
The Segmentify platform lets clients choose from 10 preset customer outreach scenarios (e.g., Abandoned Cart Reminders,. Order Follow-Up notes, etc.) and then tailor each message from there. As noted above, Push Notifications — messages that pop up on mobile devices automatically — are another key feature of the platform. These messages are simple to create, can be sent at any time, and customers don't have to be in a specific application or even using their devices to receive them.

These characteristics caused Push Notifications to rank in the Top 5 for marketing channel effectiveness in 2018. They provided the highest ROI compared to other tactics, and in some examples, added a 4% uplift to client online revenues. Of course, like all digital tactics, they must be deployed strategically to yield such results. And to help achieve this, the Segmentify platform offers both personalized and segmented Push Notification features, including 10 different self-triggering 'scenarios' for use (customizable campaign variables such as defined send-times, frequency caps, campaign lifecycles and more).

More information about this growing company and its platform can be found on the website. **segmentify.com**

PRONTOFORMS KEEPS SECURING NEW ENTERPRISE CUSTOMERS

ProntoForms Corporation, the leader in smart mobile forms, signed a multi-year agreement this Quarter to deploy its Enterprise-tier solution with another Global Fortune 500 company. The contract has a total value of approximately $900,000 USD, and is evidence of the inroads the company is making into the enterprise SaaS sector.

The software platform will be used by this customer to improve the quality of medical device inspection and maintenance services in hospitals and clinics around the world. The software will help improve the "in service" levels of the medical devices, improve the consistency and reliability of the field technicians' work, and by extension will increase the overall quality of the healthcare provided.

Features of the software that enabled the company to win this contract included:
- An agile no-/low-code platform with automated governance to help ensure compliance with IT policies.

- A simple and agile platform that allows ongoing development of apps and extended use cases to meet business growth and evolution.
- A platform that supports unique work and compliance requirements in more than 100 countries.
- Contextual workflows to enable technicians to work through complex tasks.
- Workflows to share field data with management, partners and suppliers outside their core systems.

Alvaro Pombo, CEO and founder of ProntoForms commented that, "Enterprise companies look for fast time-to-market solutions. They want to build business focused, easy-to-use apps that will accelerate their field automation initiatives. Our platform continues to demonstrate strengths in these areas and that is key to our continued growth strategy." **prontoforms.com** ⊙

ICC WALES EMBRACING NEW TECHNOLOGIES TO MAXIMIZE GUEST EXPERIENCE AND OPERATIONAL EFFECTIVENESS

Convention Centres are in the business of marrying appealing events and guest speakers with volumes of attendees and commanding not-trivial prices for the opportunity to take in the show or present a company brand to the assembled crowds in order to drive commercial engagement. But are the Centres themselves doing all they can to maximize the value delivered in these guest experiences and engagements?

The state-of-the-art International Convention Centre Wales (ICCW) is working hard to ensure it does deliver that value. The venue is being built/finished with conference technology at its core, embedding new event-related features and applications into the infrastructure from the start.

During the facility design phase, ICCW management consulted with conference organizers around the world to identify and understand the most important Key Performance Indicators (KPIs) associated with successful events. The answers formed a playbook with which to operate the new facility, and drove a commitment by the team to become recognized as 'best-in-class' in functions and services that included:

- Pre-event booking services
- Parking optimization
- Transportation logistics management
- Delegate count monitoring
- Queue length monitoring
- Wait time management
- Lecture/presentation timing management
- VIP concierge services
- Security services
- Overall guest 'journey' tracking, and more

→

Consider for example the movement in and out of the facility of guests, exhibitors, staff and others. Visitors to large venues are often left asking "Why are the lines so long?" or "Didn't they plan for crowds of this size?", or similar but less-polite questions. Such situations are not always easy to tolerate at important or costly events.

Technologies such as that available from Solink help address these issues. A network of artificial intelligence and 3D cameras are being installed at the ICCW to constantly monitor the flow of delegates through the facility. It begins at the taxi drop-off and pick-up area, where the spaces and vehicle flow will be managed carefully, and it includes the registration areas where lines and crowds will be monitored to reduce wait times. The system recognizes and even 'anticipates' high traffic situations based on aggregated data, and keeps human operators informed and prepared to react. Higher rates of people movement trigger predefined responses such as real-time messaging on facility signage, as well as alerts to staff mobile devices to adjust resource allocation.

The Solink technology is being augmented with that from portfolio company Teldio. Heat map features from Teldio provide visual representations of people movement at given locations, identifying pinch-points for example, and enabling more effective pre-event planning as well as real-time adjustments of layouts, displays and other infrastructure. Specific assets or whole areas of the facility can be identified digitally as 'secure' or restricted, and Teldio tracking beacon technology will alert staff to unauthorised approaches to these areas. The Teldio software integrates into existing infrastructure and provides efficient communication between organisers and staff who are connected using wireless radios as well as those using SMS or other instant messaging.

Staff and volunteer management at the Centre are also being enhanced through the use of software from InitLive. The SaaS platform and mobile device app lets event managers plan, prepare and execute their business, community and other events more easily and successfully. Features inherent in the tool help organisers register the volunteers they need for an event, schedule and manage the shifts for these resources, alert individuals or groups digitally (over their smartphone) to any changes, issues or emergencies, and report after the event on overall performance for future planning.

Increasingly, delegates today look for event information pertaining to registration, content agendas and other proceedings through their smartphones. Conferences now create bespoke mobile applications to manage this customer engagement and exchange of information. Evidence shows that the importance of these apps continues to grow. However, one shortcoming is the limited ability to connect guests to live (human) support services to address individual questions, concerns or requirements. This is particularly important with higher-end offerings such as VIP Concierge Services.

Talkative provides software that the ICCW will promote from the start as an essential add-on utility for all conference apps. The real-time web-chat functionality is embedded into the app in seconds and enables live communication between conference delegates and a team of specialists so that queries are responded to and resolved as quickly as possible. App users are offered a choice as to how they wish to communicate. In a noisy venue, text-chat may be a quick and appropriate method, but other times video chat, perhaps to translate signage or help with ongoing travel, may be more useful. And it is all centralised within the original conference app to keep things simple.

Monitoring and analysing real-time guest sentiment during a conference itself generates unique and very valuable feedback for event organisers. It enables rapid response to any issues, and feeds into active public relations and news generation strategies. Technology from Eyesover and Echosec leverage publicly accessible social media and online data feeds to monitor and understand guest trends and opinions in real-time. Armed with this data, artificial intelligence analyses a venue to compile reports of positive and negative impacts, event influencers and common opinions. Understanding how the event logistics, content, schedules and other characteristics are being received by guests allows organisers to react in the moment as well as adjust future plans. For example, being able to address any less-than-desirable situations before any guest opinions go viral adds a level of message management and control not otherwise available.

The ICCW is investing in technologies such as these and others to help ensure the KPIs identified earlier remain at a best-in-class level. These are investments in making the event 'journey' a positive one for guests, and the events themselves as successful as possible for the organisers and staff who bring them to the facility. The doors will be opening soon. *We look forward to reporting on the results.* **iccwales.com** ⭕

*This article was from a blog by Paul Bailey, Marketing and Design Director, **Wesley Clover Innovation Centre**, UK.*

The Latest Venture Capital Activities and Trends

As this is the first issue of Q for calendar 2019, we thought it would make sense to provide an update on the latest investment activities being reported around the world. Combining a number of sources, we offer the following picture.

The Global View

PWC and CB Insights released their **MoneyTree Report** earlier this year, and according to their research, VC-backed companies raised more than $207B USD in 2018, a 21% increase from the total of $171B raised in 2017. The total number of deals completed was 14,247 — an increase of 10% from 2017.

Much of the near-record total was driven by an increase in deals valued at more than $100M, with 382 such deals closing versus 266 in 2017. Not surprisingly, nearly half these mega-deals took place in the US.
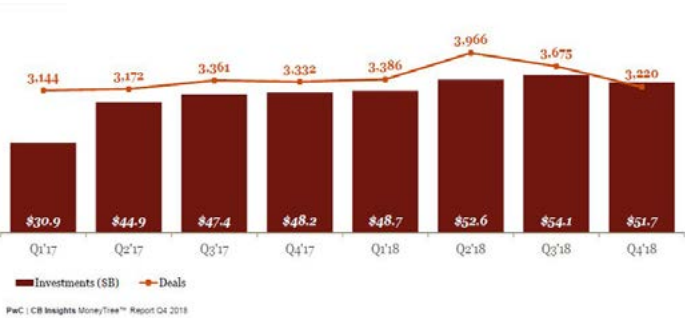

2018 Global regional comparison

5,936 $102B
2,745 $21B
5,066 $81B
14,247 Deals $207B Invested Globally

PwC | CB Insights MoneyTree™ Report Q4 2018

There, a total of 184 $100M+ deals closed last year, which was more than a 50% increase from 2017. Overall, US start-ups secured nearly $99.5B in funding, a 30% year-over-year increase and the highest total since the dot-com craze set the current record of $119B in 2000. However, the 5,536 total deals was the lowest number since 2013. The result is that more money was placed into fewer US companies but apparently at higher valuations, reflecting an investor appetite there for fewer but larger deals.

In Asia, the story was somewhat opposite. Total funding increased by a modest 11% for the year, to just under $81B. However, the total number of deals surged 42% to more than 5050. And in Europe, the results were a little less dramatic. Deal activity there slipped, but only slightly, from 2,871 in 2017 to 2,745 last year. However the total funding climbed 17% from $18B to $21B.

Looking at global trends over the last two years, overall funding has climbed quarter-over quarter. One exception was a small pull-back in Q4 of 2018, but at nearly $52B in investments, it was still the third-strongest quarterly result. In keeping with the trend identified above, the total number of deals during that quarter also declined, by more than 700 from the peak two quarters earlier.

Quarter	Investments ($B)	Deals
Q1'17	$30.9	3,144
Q2'17	$44.9	3,172
Q3'17	$47.4	3,361
Q4'17	$48.2	3,332
Q1'18	$48.7	3,386
Q2'18	$52.6	3,966
Q3'18	$54.1	3,675
Q4'18	$51.7	3,220

PwC | CB Insights MoneyTree™ Report Q4 2018

More of the US Story

Digging deeper into the 2018 results in the US, the trend to fewer, bigger deals was reflected in a decline in seed-stage activity for the fourth year in a row. And over the last five years, the ratio of early- to later-stage investing has shifted from roughly a 60-40 split to 50-50. Using 2018 results, that represents almost $10B of enabling capital that moved from start-ups to more established companies.

In terms of where in the US the deal-making was being done, again it is not surprising to find the state of California leading the way. New York (state) and Massachusetts traded spots in second and third place depending on whether the measurement was number of deals done or amount of funds invested. But these activities were also taking place in many more locales as well, confirming that clusters of innovation are growing around the country.

US: Top 10 states of Q4'18 by deals

1. CA	509 deals	$14,756M	6. WA	36 deals	$252M
2. NY	155 deals	$2,054M	7. IL	33 deals	$427M
3. MA	111 deals	$2,313M	8. PA	25 deals	$193M
4. TX	50 deals	$429M	9. FL	23 deals	$155M
5. CO	37 deals	$244MM	9. OH	20 deals	$58M

That said, the San Francisco/Silicon Valley area once again far outstripped any other in the country in investment activity for the year. In terms of deals done, the 380 deals may have been only 31% of the 1211 total for the country. But in terms of funds invested, the total in the fourth quarter of 2018 alone was almost equal to the rest of the

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country combined, at about $12B out of $25.0B for the US as a whole. A key take-away — if you want to raise more money on a deal, it still pays to chase it in Silicon Valley.

Where the Investments are Going

In terms of the industry sectors that attracted the most funding in 2018, again the US is a good indicator of global trends. There, the dominant sector was the 'Internet', with a total 540 deals (more than three times the closest sector) and more than $9.0B dollars invested in the fourth quarter alone (more than twice the next sector).

Hopefully for the benefit of us all, Healthcare companies were the next-most attractive for investment, securing $4.0B dollars across 162 deals. Mobile and telecom app companies were not far behind at $3.5B over 150 deals, followed by non-Internet/non-Mobile software companies ($3.0B on 111 deals). It was a big drop off from there, where Consumer Product and Services companies were able to close only 51 deals.

In terms of specific technologies, annual funding for Artificial Intelligence (AI) initiatives, which cross over industry sectors, has risen steadily over the years. And while the number of investments in 2018 dropped noticeably (down to 466 from 533), the amount of funds committed jumped the most, at 72% to $9.3B. This suggests companies in the space are maturing their products and attracting

US deals and funding by Top 5 sectors, Q4'18

$9.1B Invested	Internet	540 Deals
$4.0B Invested	162 Deals	Healthcare
$3.5B Invested	150 Deals	Mobile & Telecommunications
$3.0B Invested	111 Deals	Software (Non-Internet / Mobile)
$382M Invested	51 Deals	Consumer Products & Services

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those investors interested in funding less deals with larger amounts of money, to be focused on business expansion activity.

The state of California was particularly active in the funding of AI. 53 deals and just under $2.0B in investment took place there in just the fourth quarter of the year. Massachusetts was a distant second during that period, with only 13 deals and roughly $250.0M invested, and the drop off continued to Texas which rounded out the Top Five states with just 3 deals and $10.0M in financing. It is clear a growing ecosystem for AI companies continues to form in California.

ALACRITÉ FRANCE LAUNCHES FIRST TWO START-UPS

Alacrité (France) is located in LILLE, a commercial and industrial city 200 kilometers North of Paris. During the Quarter, the fund housed four project teams (teams working on their first business/product ideas) as well as two newly-incorporated start-ups.

Called <u>ReactEvent</u> and <u>Diskyver</u>, the two new companies have been incubated in the Alacrité program over the past year. Both are now staffed and financed for the next critical steps in their journeys toward business success, and each is bringing an original solution to a market opportunity that is not

addressed currently. The customer needs behind each of the solutions were brought forward by Wesley Clover International and Mitel Networks (both key stakeholders in Alacrité France), as part of the Alacrity company building model.

ReactEvent has created a new video-based business intelligence platform for brick-and-mortar businesses that helps owners and managers identify and react to events in

their stores more rapidly. Automating these procedures and generating the insight the solution provides helps clients improve their bottom line. The insight comes from connecting existing customer video-surveillance systems together with 'point of sale' (POS) terminals and other network-connected business systems to provide video/data records of specific business events.

The ReactEvent platform is based on intellectual property sourced from Solink, an affiliate of the Wesley Clover ecosystem. Solink provided the IP to kick start the project and enable a complimentary solution to what they already offer. A Memorandum of Understanding (MoU) is in place between both parties, and the two are working on even greater technical and business collaboration moving forward.

Diskyver, on the other hand, is developing cybersecurity solutions for enterprise telephone systems. This is a traditional market space, but is one where customers introduce risk when evolving their systems to newer IP and cloud technologies. The market need was identified and further defined by Mitel France shortly after the Alacrité fund was formed a year ago. They were observing first-hand how new IPBX (digital office telephone) installations from all manufacturers were being attacked by criminal elements in scams that according to the Communications Fraud Control Association (CFCA) were resulting in worldwide financial losses amounting to $29.2 Billion!

It was evident that telecommunications cybersecurity solutions on the same level as those available to the IT sector were required, and that the need was not being addressed by existing cybersecurity firms. In response, Diskyver has now applied artificial intelligence (AI) and machine learning to the design of a software platform that provides this protection in real-time. The new platform will be available shortly.

In the case of each of these new companies, they have taken steps to ensure their solutions will be relevant across as broad a range of customers as possible. But like all good start-ups, they are resisting any temptation to try and be 'all things to all people'. They are keeping distractions to a minimum, and taking small, calculated steps to build their new businesses. Again, exactly as the Alacrity model and program encourages.

We look forward to reporting about more of their growth in future issues of Q. **alacrite.fr** ⭕

ENGLISH NINJAS PROVIDES A SOLUTION TO A GLOBAL DEMAND

English Ninjas, one of the Turkey-based Alacrity companies, has created an online portal and mobile application for acquiring one-on-one English-language teaching services. Customers speak with and learn from trained tutors at any time, from anywhere. It is an innovative approach to the English-as-a-second-language education market, using a model similar to that now deployed worldwide in another industry by UBER.

English Ninjas does not operate any schools or other teaching facilities. It does not employ dozens of teachers. Instead the software they have built manages the interactions between students of all ages and proficiencies around the globe who wish to improve their English speaking skills, and similarly dispersed English-speaking tutors. The mobile- and web-based app offers video or voice-only engagement between student and tutor, and the curriculums and testing sessions that are aligned to the individual pace of each student. Students select the topics they wish to use for their learning,

based on their own interests, professions or objectives. They select the tutor(s) they want to work with — one or many. They even choose the mutually agreeable schedule they wish to follow — 7/24/365. Tutors and students are both evaluated automatically after each session to ensure the learning objectives are met and the teaching quality is maintained at the highest levels.

Customers (students) download the English Ninjas application from the Apple App Store or Android Google Play Store. They then register with the system and subscribe to the monthly service package they want (selecting topics, frequency, etc.). Payment is done by credit card and charged every month until the customer cancels.

A disruptive new approach to a traditional service industry. And the results are impressive. Students received more than 8250 hours of live training last Quarter, an increase of 43% from the previous period. Revenues for the company increased by 20% over the same timeframe. Most of that revenue is currently being generated from students in Turkey, Brazil, South Korea, Japan and Saudi Arabia, but as these demographics and the system architecture prove, there are no limits to where the services can be delivered and consumed. The team is also about to launch a variant of the platform for teaching English to children.

Look for further updates on this exciting new company, and see for yourself online at **englishninjas.com**. ⭕

Cliniconex Growth Continuing in 2019

Cliniconex is on a mission to improve patient engagement across the healthcare industry. In 2018 the company added more than 1,300 medical professionals and senior care providers to its user community, bringing the total to more than 4,500. Cliniconex SaaS technology now helps trigger more than 550,000 patient engagements each month, reducing patient no-shows, improving patient and resident satisfaction, lowering clinic operating costs and returning valuable time to care providers.

The end of 2018 was a very active period for the development team as they completed work on the first release of a new patient surveying and health promotion module called HQI (Health Quality Improvement). The software plugs into clinic Electronic Medical Record (EMR) systems and generates automated post-appointment surveying to increase patient response rates and yield greater demographic insight.

Pilot customers are very pleased with the results, experiencing higher response rates to surveys that enable them to better comply with regional requirements for increased reporting on patient experiences. For example, "Cliniconex has helped the Manitoulin Central Family Health Team improve response rates for surveys by an estimated 85%," said Lori Oswald, Executive Director. "We are better equipped to measure patient satisfaction on an on-going basis and able to build comprehensive quality improvement plans."

In Canada, Cliniconex distributes its SaaS through the largest EMR vendors — QHR Technologies (Loblaw) and TELUS Health. In 2018, these partners delivered more than $1.6M in SaaS services to clinic operators who continue to be loyal customers, exhibiting a monthly 'churn' or abandon rate of less than 0.5%. And with more sales enablement sessions, customer symposiums and joint-marketing campaigns rolling out in 2019,
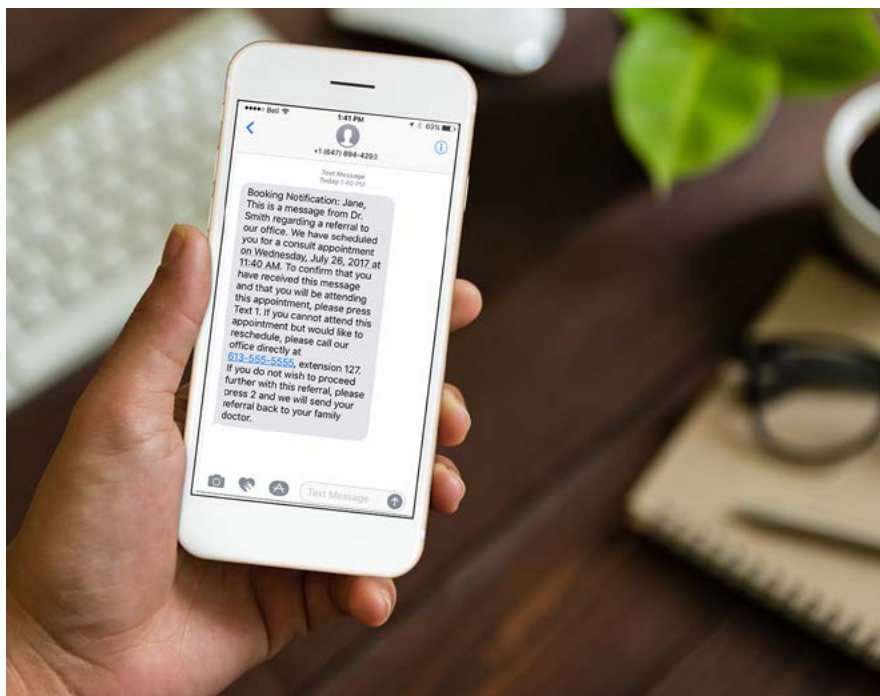
Cliniconex expects to see greater growth from this channel moving forward.

Last November, the Cliniconex team attended the PointClickCare SUMMIT2018 in Nashville TN, marking the official entry for the company into the U.S. Long Term Care industry. PointClickCare is the largest EHR vendor in North America, and thanks to the SaaS integration that now qualifies Cliniconex as a PointClickCare Marketplace vendor, this event brought together more than 2,000 potential new customers. New features for resident family engagement, such as outbreak notification and care plan reminders, were well received, validating the need for such services.

The team returned from Nashville with close to 200 leads and has since been deploying its software in several of these long term care homes. This market segment is expected to yield much of the growth expected by the company for 2019, with more than 1,600,000 beds set as the deployment target.

We will keep watch as these new sources of growth come together for Cliniconex in 2019. **cliniconex.com**

Pilot customers are very pleased with the results, experiencing higher response rates to surveys that enable them to better comply with regional requirements for increased reporting on patient experiences.

cliniconex

INITLIVE MOVING UP-MARKET TO TARGET LARGER CUSTOMERS

2018 was a pivotal year for **InitLive**, makers of a SaaS platform and mobile device app for managing business, community and other events as well as the staff and volunteers required to organize and deliver those events successfully. The year marked the start for the company of a "Bridge to Enterprise" strategy that would transition the product, marketing and business development focus for the firm on to larger new customers. Customers that include single Event Producers who require more than 500 volunteers per internal or third-party event, and Multi-Event producers who organize five or more events annually and manage more than 2000 volunteers in total across those events. InitLive is completing this transition as the first Quarter of 2019 comes to a close.

Supporting the strategy, in a study done recently by Capterra, a popular Web service that helps businesses find software solutions, 43% of respondents suggested that staff/volunteer management was a top-5 reason to buy event management technology. The data reaffirmed that event staff will make or break the success of a given event, and therefore management of these key resources is paramount to that success. It also showed that medium- to large-sized event producers represent more than 40% of the overall market, and a majority expect to spend more to acquire the tools and technologies they need to operate most effectively.

InitLive is moving aggressively to address these needs and increase their own average value per customer accordingly. This change is not without challenge, of course. For example, larger customers have more complex workforce management needs, more extensive database and reporting needs, and greater feature capacity requirements. They also expect an 'enterprise' approach to pricing and support. InitLive has now implemented software and operational changes to meet these needs, including a new licensing model with more scalable monthly fees based on event quantity and sizes. Returns on these investments are validating the strategic change already, with the Average

Revenue per Account for 2018 coming in at nearly double what it was the previous year.

The company continues to innovate faster than ever, and they must, as not surprisingly they are encountering new competitors in this up-market segment. But the team remains confident in their abilities to compete and win, knowing their mobile-first, event-day features are distinct differentiators. An increasing number of new customers are proving this to be true. *We will watch as this community continues to grow.* **initlive.com** ⭘

THINKRF RELEASES SPECTRUM ANALYZER WITH GPS INTEGRATION

Ottawa-based **ThinkRF** is the leader in software-defined spectrum analysis for detecting, analyzing and monitoring complex radio signals in the rapidly evolving wireless landscape. Built on patented technologies, ThinkRF has a large ecosystem to provide RF (radio frequency) Application Developers, RF Engineers and Monitoring Program Managers with unmatched, cost-effective insight for their wireless research, development and deployment activities.

This Quarter, the company launched the ThinkRF R5700, a real-time spectrum analyzer with integrated Global Navigation Satellite System (GNSS — also known as GPS) functionality. This new platform enables users to conduct advanced spectrum analysis in the burgeoning new market that includes moving vehicle (autonomous or not) and other mobile applications.

The built-in GPS capabilities add ongoing time and location data to the range of measurements taken and give users a full view of the dynamic spectrum environment, offering advanced geolocation techniques such as Time Difference of Arrival (TDOA), Power Difference of Arrival (PDOA) and Angle of Arrival (AOA) to pinpoint the location of signals of interest in a range of new scenarios.

"The ThinkRF R5700 is the only analyzer that combines the performance needed to cover the 27 GHz frequency range with the portability and form-factor to be used easily in a vehicle or in the field," explained Dr. Jasvinder Obhi, VP Product Management and Marketing at ThinkRF. "This is a significant step forward for customers focused on mobile situational awareness and other advanced analysis applications."

ThinkRF also released the ThinkRF P120 Vehicular Power Conditioner, to provide regulated power to portable spectrum analysis gear and protect against vehicular power transients. *These new products will help keep the company in a leadership position as the market opportunities continue to evolve.* **thinkrf.com** ⭘

Wesley Clover Parks Jumping From One Season to the Next

Wesley Clover Parks is once again ramping up for a busy summer season of programs and events for the local community and visitors. Here are several highlights from the latest Quarter, and some hints at what is up next:

CAMP

- Key among the recent steps taken to improve the visitor experience at the Wesley Clover Parks Campground was the introduction of an online reservation system. The 2018 season was the busiest to date, and the new system is sure to prove its weight in gold once the 2019 season begins in May.

- For example, seven new powered sites for trailer camping have now been added, expanding the total available to 170 sites. Bookings for all these sites are already ahead of previous years.

FARM

The Community Supported Pollination Project is returning to The Parks in 2019, in continued partnership with Gees Bees Honey Company. The Project allows people to buy a seasonal share in an active beehive, meet their bees at harvest time, and receive a 12-month supply of the resulting honey. Last year shares in the hives sold out in record time, and the same is anticipated again this season. While the beehives have been covered with snow over the last Quarter, providing them with necessary insulation against the winter cold, things will no doubt be buzzing again soon …

GATHER

The popular Magic of Lights holiday display wrapped up another successful run at The Parks in January. Ticket sales increased more than 10% from the previous season as a record number of visitors took in the spectacle, which is becoming a new family holiday tradition. The final math has been done, and

a formal plan is now in place to make the resulting donation to the chosen charity for the event, the Ottawa Senators Foundation.

LEARN

The Ottawa Forest and Nature School is building upon their licensed Nature-Based Early Learning Program for 2019. This program offers preschoolers the opportunity to spend two days per week in an immersive forest experience, playing and learning in outdoor spaces based around their cabin in the Wesley Clover Parks Campground, and popularity is skyrocketing.

PLAY

- Kanata Nordic skiers have been grateful for a lot of snowy weather over the last Quarter, making full use of the more than 18 kilometers of trails at The Parks. The annual Pretzel Sprint Race and Snow Day events were very popular again, encouraging visitors to try a variety of winter activities including classic and skate skiing, snowshoeing, and even a laser-rifle biathlon station.

- The West Ottawa Soccer Club is preparing quickly to take advantage of the sports fields at The Parks once again, with plans in place to host the first games during the 3rd annual Wesley Clover Cup Tournament and Showcase on April 13th and 14th, 2019.

RIDE

- The Ottawa Equestrian Tournaments return to Wesley Clover Parks for the 5th year in 2019. More than 1,500 horses competed in 2018, more than 20,000 visitors attended, and more than $435,000 in prize money was awarded. The bar has been raised further this year with the addition of the CSI2 Ottawa International I and the return of the CSI3 Ottawa International II in July.

- The Parks will offer a variety of Bronze-, Silver-, Gold- and Platinum-level events in 2019, including regional "Trillium" hunter-jumper competitions, the Ottawa Dressage Festival, and for the first time, the Ontario Horse Trials Association Championships. Overall, nearly 4,000 horses are expected to visit the site.

- New for 2019, the Ian Millar School of Horsemanship will be introducing a horseback riding day camp tailored to pre-school children as well as one for riders preparing to compete. These are in addition to the popular beginner day camps. More information can be found at **wesleycloverparks.com**. ◗

AirVM Keeps Multi-Cloud Costs in Line

AirVM has created a multi-cloud monetization platform called HyAlto that enables service providers and enterprises to deploy cloud services in any of the leading environments from AWS, Microsoft, VMWare and others. The days of enterprises relying on premises-based servers to host applications and data, managed by internal "IT guys," are fading fast. Today, most organizations are turning to cloud services (aka "Something"-as-a-Service) to handle their evolving needs for computing horsepower, application hosting and data management.

And we are no longer talking about just one cloud. The market has evolved rapidly, and the term "multi-cloud" now comes into play frequently. This means an organization is using services from more than one cloud provider to deploy the best combination of services at the best price. On average, enterprises with an established cloud strategy now use a combination of services from six different providers to fully address needs that include data privacy and sovereignty, compliance and security.

This can make for a lot of complexity. What makes the cloud so appealing — the ability to access services and capacity on demand, conveniently and easily — can also give rise to cost and other concerns, for example when there is a need to shift workloads and data between different clouds.

That said, multi-cloud is here to stay. Market research firm Gartner last summer forecast large global growth for the sector through 2018: 35.9 per cent for Infrastructure-as-a-Service (IaaS) to US$40.8 billion, 22.2 per cent for Software-as-a-Service (SaaS) to US$73.6 billion, and 26 per cent for Platform-as-a-Service (PaaS) to $15 billion. And double-digit gains are expected to continue through 2022.

Big names in the industry, including Amazon Web Services, Microsoft Azure, Google Cloud Platform and VMware, are reaping the benefits. But challenges remain, such as ensuring enterprises, and the managed service providers (MSPs) that work as trusted advisors between customers and cloud providers, have the tools to monitor usage and track costs accurately.

Multi-cloud enterprises need the visibility to ensure their cloud usage is aligned and sized correctly for their business priorities, and that they don't pay for services or capacity they don't need or use. AirVM and the HyAlto cloud monetization platform provide a single dashboard through which to solve this challenge — one that is automated, cloud agnostic and scalable. *Visit the website for full insight.* **airvm.com**

BENBRIA SHARES SOME CURRENT CUSTOMER EXPERIENCE THOUGHTS

Benbria, makers of the Loop customer experience management platform, gathered feedback recently from clients, partners and key industry events to assess the biggest and most promising customer experience technology trends moving forward. They were particularly interested in the top trends driving Voice of Customer as well as Omni-channel customer engagement. They published the findings in a blog on their website, and we are replaying some of that information for you here.

VOICE OF THE CUSTOMER

Not surprisingly, listening to the voice of the customer continues to be a powerful means of engaging and retaining clients. New technologies are making voice-of-customer programs easier to personalize and deploy. Businesses can now obtain the most useful customer insights to drive return visits and increase revenues. Here are some of the latest solutions and best practices.
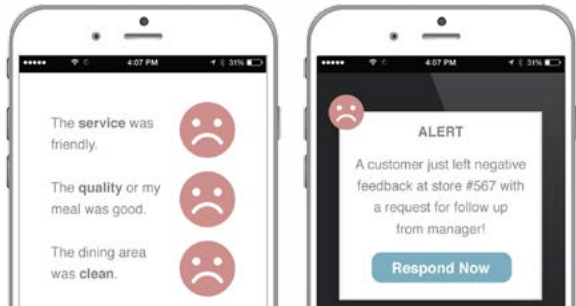
More Timely In-the-Moment Surveys

Surveys can be an integral part of under-standing the customer, however timeliness has a major impact on response rates and engagement. The approach of sending an email survey a few days after a customer makes a purchase or receives a service creates a delayed response, if any response at all. It makes it difficult for internal teams to act on relevant information.

Automated in-the-moment surveys address this delay. A good example is a survey implemented by Sodexo. This global food services company uses in-the-moment mobile surveys and on-site kiosks to deliver an innovative engagement experience. Using a simple interface, teams prompt guests to share opinions on food quality and dining area cleanliness, or provide comments on their experience, positive or negative. Management uses these insights to address any problems immediately and ensure all guests are satisfied, improving the likelihood of a return visit and more favourable online reviews. They take all the best practices learned and promote them chain-wide.

Real-Time Feedback

In-the-moment feedback means gathering and assessing the customer experience at a specific point in the buying journey. Real-time feedback means getting those results on the fly. For example, A&W Canada is using Loop Pulse™ with an automated Scoreboard to gather feedback from customers at any point during their visit. To date, more than 15 percent of guests are providing their reactions to the food and services this way — a rate almost fifteen times higher than the average. The client achieved these rates by also making the scoreboard much more visible to guests, suggesting that promoting the best-practice openly adds elements of willingness to listen, caring, even gamification to the process — all of which seem to make guests more likely to offer up their feedback.

→

The Future of Net Promoter Scores

Digital Net Promoter Score (NPS) surveys are strategically timed questions pushed to our mobile devices that ask how likely it is (on a scale of 0 to 10, with 10 being "absolutely") that we would recommend the company/product/service in question to a friend or colleague. Companies are embracing this form of measurable feedback throughout key moments of the customer journey and across multiple channels, to improve survey participation and enhance accuracy and timeliness of data. NPS has been dubbed by some as the "ultimate metric for gauging customer loyalty", so we can probably expect to see its use increased.
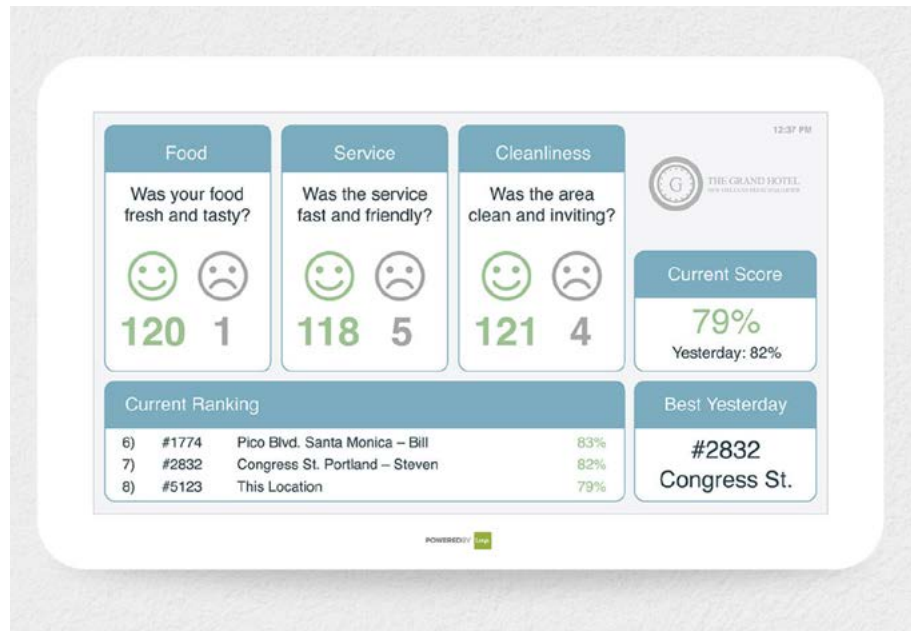
OMNI-CHANNEL ENGAGEMENT

Similar to voice-of-customer programs, omni-channel engagement continues to be a focus for companies developing a Customer Experience (CX) strategy. With various industries already using it to provide fluid and efficient customer communications, it too is expected to keep increasing in popularity, for several reasons.

Rich Content Texting

The GSMA, a trade body that represents the interests of mobile network operators worldwide, estimated that there would be 350 million Rich Content Texting users by the end of 2018, and that there would be a billion sometime in 2019. It is reasonable therefore to expect to see omni-channel engagement tactics begin to include this new and richer form of texting experience.

Rich Content Texting, also referred to as Rich Content Services or RCS, is a significant advancement. As the name implies, it allows text messages to deliver the same experience as that provided through over the top (OTT) messaging apps such as Facebook Messenger or WhatsApp. It incorporates group chats, high-res image and/or video sharing, GIFS, location information — all features that are not available today using regular texting. With RCS, regardless of channel, businesses will be able to connect with customers using messages that will be received in the same format as they are created.

WhatsApp & B2C Messaging Growth

In 2018, messaging channels shifted the communication landscape between businesses and customers. Moving forward, this trend will increase with OTT messaging apps continuing to add new features. In 2016, WhatsApp had a total of 18.8 million monthly active users. That number is expected to grow to 25.6 million in the U.S. alone by 2021, and large numbers of those are expected to be business users. Similarly, Facebook Messenger reported a total of 1.82 billion mobile phone app users worldwide in 2017. That number is projected to reach 2.48 billion by 2021. The push is clearly on to turn these consumer tools into a B2C channel rivaling email, phone and SMS.

Full Journey Engagement

Engaging customers in a transactional manner, at a single moment in their journey, is already becoming a tactic of the past. The next trend involves engaging the customer throughout the entire buying journey — from attracting them into the establishment in the first place, to following up with them well after they've left.

Connecting with customers at multiple touch points is important for keeping a brand top of mind and stimulating repeat visits. Customer Experience Management solutions allow businesses to engage customers this way, at a variety of touchpoints and over a range of automated channels. This can include kiosks at the entrance of the establishment, text messages during customer visits, and emails after they have left the premises. These tactics are moving from the realm of rare surprises to regular expectations for customers, and they help drive both loyalty and revenue.

Conclusion

With 2019 now racing along and technology continuing to evolve rapidly, adapting to new trends is key to staying in favour with the modern customer. From real-time feedback to rich content texting to multi-touch engagement, it is now all about listening to customers, understanding their needs, and responding to meet them like never before. Benbria and the Loop platform are here to help. *Find out more online … **benbria.com*** ⊙

ENJOVIA CONTINUES TO GROW ALONG WITH GIFT VOUCHER MARKET

A recent Mckinsey & Company report found that consumers are favouring experience-related services four times more than they are the purchase of more goods.

2018 was the busiest year to date for UK-based Enjovia, whose SaaS platform enables businesses to sell more gift vouchers. And the industry continues to change and expand, which bodes well for continued company growth.

The results are being propelled by the expansion of the 'experience economy'. Particularly in western countries, consumers are hitting what is called 'peak stuff' — owning all the material items they need or want. This is pushing more discretionary spending into acquiring new experiences instead. A recent Mckinsey & Company report found that consumers are favouring experience-related services four times more than they are the purchase of more goods.

In a related example, a recent Barclaycard survey discovered that positive experiences now have the second largest influence on buying decisions, with 81% of survey respondents saying that a good experience is critical to most of their purchases. As a result, the experience economy is booming, as stated, and businesses are starting to think hard about how to turn their offerings into unique customer experiences to capitalize on the trend.

Gift vouchers and cards themselves are changing as well. Increasingly, they are becoming digital. As wallets shrink in physical size thanks to the increasing use of digital payment systems, the idea of a paper or plastic gift card or voucher is less and less popular. Many consumers are now seeking simple emails or codes or local print features that can be gifted electronically to loved ones or other recipients.

Enjovia is suited well to respond to and exploit these market changes, as the best way to sell experiences is now through online gift vouchers and tickets. In late 2018, the company launched an updated version of their platform which is now capable of 'onboarding' a new customer in minutes and deploying a full storefront with active voucher sales for that client within 30 minutes. This flexibility enables Enjovia to service a wider range of business sizes. The customer list now includes activity centres, theme parks, retailers, schools, experience providers, 'glamping' sites, theatres and a pub chain with more than 180 locations.

The new system has helped increase the overall customer base by 35% since being introduced. Overall revenues are up 15% from the previous year, and 2019 is looking to be an even stronger year as the company begins expanding into North America.

We will provide updates on the progress in future issues of Q. **enjovia.com** ⭘

enjovia

There ARE Such Things as Unicorns

The Latest VC Investment Trends (continued from page 12)

The term used for an exceptionally successful new company today is a 'Unicorn'. The label was coined in 2013 and it refers to a privately-held start-up that has a valuation of $1.0B USD or more. As shown in the following chart, while once rare, the phenomenon has become much less so, particularly in Asia and NA.

From the second half of 2016 to the end of last year, the global number of new companies fitting this description has climbed from 16 to more than 100. In the fourth quarter of last year alone, the US saw a record 21 start-ups achieve Unicorn status. At the same time, Asia saw a notable reduction in the number, reversing a trend and perhaps reflecting a cooling in the economies of that region?

Since 2013, the number of VC-backed private companies valued at $1.0B or more has grown from 26 to 140 at the end of 2018. The total valuations of these companies has grown along with the number of firms, and reached the highest aggregate value on record at the end of the year, at more than $526B. Companies on this list are now common to most of us, including Uber, WeWork, AirBnB, SpaceX, Stripe and others. While individual valuations can be 'fluid', the top five of these companies each had a value in 2018 of least $20B, and the leader was sitting at $72B. The moral to this part of the story is that for the wise, resourceful and stout-of-heart VC, the rewards can be outstanding, and that keeps inspiring us all.

Global new unicorn births

North America surpasses Asia for most new unicorns for the second straight quarter

- North America saw a record number of private companies hit $1B valuations in Q4'18, at 21 companies.
- Asia surpassed North America in Q2'18 with the most new unicorns, but has since fallen behind in Q3'18 and Q4'18.

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Which Way to the Exit?

It would not be right to look at the investment market without mentioning the end game — getting the money back out of the investment with (hopefully) a positive return. Data on specific VC returns are often guarded, but the chart on the right gives some insight into the M&A activity in the US over recent years. Importantly, it shows how long investors kept their money in the companies before getting whatever return they did. The number of exits last year did increase, but only by about 14%. And the investment term changed by less than 12 months over the last five years, so this exit strategy remains a fairly consistent one.
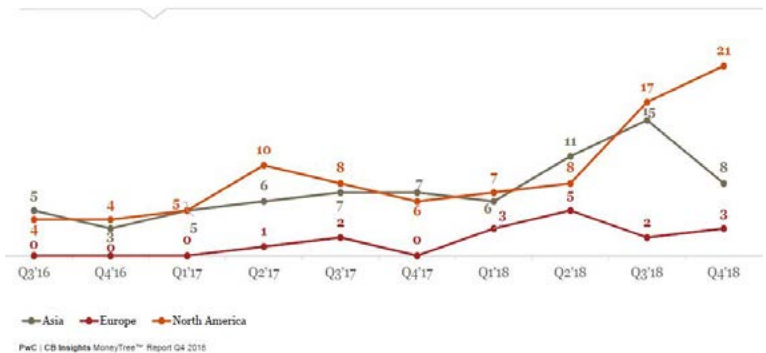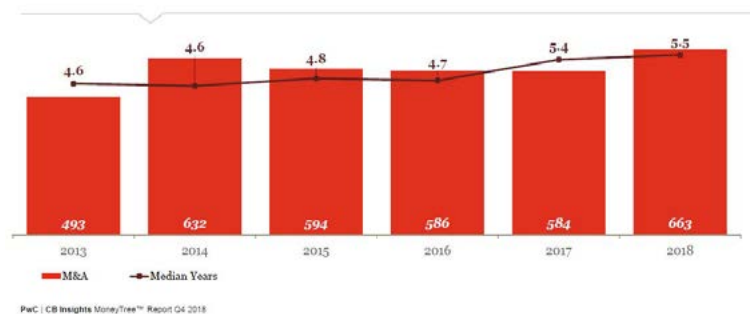
In terms of 2019, according to data from **Sampford Advisors**, the year could end with almost $160B invested in M&A deals, which would be a year-over-year increase of more than 8%. The number of deals is tracking upward as well, toward a total of 1,950, or an increase of 22%. And over the last 12 months, 11% of all the deals have involved Canadian companies.

An amazing $24.3B flowed into 138 deals in February alone, but that total dollar value was elevated by several blockbuster transactions, and

M&A and Median Years to Exit

M&A activity jumped to 663 in 2018

- M&A activity jumped by 79 deals in 2018, rising to 663.
- Median years to exit was steady at 5.5.

PwC | CB Insights MoneyTree™ Report Q4 2018

Dollars Invested ($bn) — **# of Transactions**

	2014	2015	2016	2017	2018	2019 YTD
Dollars Invested ($bn)	$100.9	$101.1	$122.4	$63.6	$147.5	$159.6
# of Transactions	1,619	1,569	1,480	1,487	1,595	1,950

those deals inflated the average revenue multiple applied during the month. For example, Ultimate Software Group was acquired by a consortium of buyers for a 9.4x revenue multiple and a $10.7B total deal value. Similarly, Solium Capital was acquired by Morgan Stanley at a multiple of 7.4x revenue, for a total price of more than $768M. Examples such as these pulled the median multiple across all 2019 transactions to date up to 7.0, more than twice what it was in 2018. It remains to be seen if that math will be sustainable through the rest of the year.

As Far as IPOs …

In comparison to an M&A exit, the route to an IPO has been a more volatile one. The number of IPOs for VC-backed firms swung from a five-year high of 106 in 2014 to a low of 49 in 2016, and back

up to 87 last year. Over the same timeframe, the average window to exit varied from 6.5 to 7.8 years, but it dropped to 5.2 years in 2018. It seems factors to achieving an IPO, such as funding, product/market fit, sales growth and others, became more favourable for many firms over the last 12 months or so.

The people at the Canadian TSX and TSX-Venture (TSX-V) stock exchanges agree. Their data shows that 2018 was a record-setting year for IPOs in the Canadian technology and innovation sectors. Combining both exchanges, there were a total of 59 new corporate listings filed in the sectors over the 12 month period, and those new listings raised $14.7B CAD in equity capital — an increase of 166% from 2017. As noted earlier, our own portfolio company Martello was among those new 2018 listings.

Based on a combined total of 147 new corporate IPOs, the sectors represented 40% of all that activity. The total equity capital raised on both exchanges for the year ended at $40.8B, so the tech listings captured 36% of that total. And while not broken out independently by sector, the average financing size over the year on the TSX was $64.8M, and on the TSX-V it was $4.0M.

For a side-bar on the reality of competition for investment funds, it is worth noting that a significant amount of activity last year was centered on the new Cannabis industry in Canada. At the end of 2014, there were only six cannabis issuers listed, all on the TSX-V. By the end of 2018, there were 45 listed over the two exchanges, and these companies represented a combined market capitalization of $32B, up 52% from the previous year.

Clearly, investors were faced with new choices for placing their funds. And that is always the case. It will be interesting to see how the trends and investor behaviors shown in this article evolve over the coming months and years, with ever-increasing competition, global economic performances, emerging new technologies and more. 2019 is off to a strong start. *We at Wesley Clover are doing our part to ensure it continues …* ⭕

MITEL IS ACQUIRED BY SEARCHLIGHT CAPITAL PARTNERS

◫ **Mitel**®

As announced publicly at the end of 2018, the big news for **Mitel** was the completion of the deal with Searchlight Capital Partners, L.P. to be acquired and become a private company once again. Affiliates of funds advised by Searchlight acquired all of the outstanding common shares of Mitel for US$11.15 per share in cash, without interest and less any applicable withholding taxes. This included all shares held by Wesley Clover.

Rich McBee, President and Chief Executive Officer of Mitel, said, "We are pleased to have completed this transaction and are excited for Mitel to begin this new chapter. Searchlight shares our vision to continue our move-to-the-cloud strategy, and we look forward to working with them to drive the next phase of success for our customers, partners and employees."

With the completion of the transaction, all shares in the company ceased trading and were delisted on both the Toronto Stock Exchange and the NASDAQ exchange. Mitel also ceased to be a reporting issuer under applicable Canadian securities laws. Per the sentiments expressed by Mr. McBee above, we look forward to a successful future for the company under the new corporate structure. **mitel.com** ⭕

PRINCIPAL COMPANY INDEX

* Featured in this issue of *Q*

AirVM* - airvm.com

Alacrity Canada - alacritycanada.com

Alacrité France* - alacrite.fr

Alacrity Global* - alacrityglobal.com

Alacrity India - alacrityindia.com

Alacrity Mexico - alacritymexico.com

Alacrity Turkey - alacrityturkey.com

Alacrity UK - alacrityfoundation.co.uk

Benbria* - benbria.com

Brookstreet Hotel - brookstreethotel.com

Brookstreet Pictures - brookstreetpictures.com

CareerJSM - careerjsm.com

Celtic Manor Resort* - celtic-manor.com

Cliniconex* - cliniconex.com

Codeherent - codeherent.tech

CounterPath - counterpath.com

CreatorDen - creatorden.com

CulturVate- culturvate.co.uk

Echosec* - echosec.net

Encepta - encepta.net

Encore Networks - encorenetworks.com

English Ninjas* - englishninjas.com

Enjovia* - enjovia.com

FileFacets - filefacets.com

Hut Six - hutsix.io

HYAS Infosec - hyas.com

InitLive* - initlive.com

Iven - iven.io

KRP Properties - krpproperties.com

Learnium - learnium.net

L-SPARK* - l-spark.com

Marshes Golf Club - marshesgolfclub.com

Martello* - martellotech.com

Mitel* - mitel.com

Mydoma Studio - mydomastudio.com

Persona - personajobs.com

Pisano - pisano.co

Pretio Interactive - pretio.in

ProntoForms* - prontoforms.com

SaaSquatch - saasquatch.com

Segmentify* - segmentify.com

Solace - solace.com

Solink* - solinkcorp.com

StartSub - startsub.com

Talkative - talkative.uk

TaraSpan - taraspan.com

Teldio - teldio.com

ThinkRF* - thinkrf.com

Tutela* - tutela.com

Twentify - twentify.com

Volunteer Space - volunteerspace.co.uk

WCS Europe - wcs-europe.com

Wesley Clover Parks* - wesleycloverparks.com

Wesley Clover Solutions - wesleycloversolutions.com

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