

OneChip raises \$17M in equity deal

Ottawa-based firm to up production

By Bert Hill, Ottawa Citizen, May 18, 2011

OneChip Photonics Corp., one of Ottawa's more promising startups, has raised \$17 million in new funding for advanced gear aimed at delivering the growing wave of high-definition television, video and voice traffic.

The investment, quietly disclosed in a U.S. regulatory filing, is an important validation for a company led by Jim Hjartarson, an industry veteran who built successful optical product teams at Nortel and sold an earlier startup.

It is also a shot in the arm for optical networking technology in Ottawa.

EETimes, a technology industry publication, recently named OneChip to the Silicon 60, a ranking of promising new chip companies. It was one of just two Canadian companies in a list dominated by U.S., Chinese and European companies.

OneChip's financing is all the more remarkable in light of the fact most technology companies are struggling to raise money. Founded in 2005, OneChip had previously raised \$30 million from BDC Venture Capital, DCM, Growthworks and Morgenthaler Ventures, including \$12.3 million just last September. Northwater Capital Management, a new investor, joined the latest funding round.

The workforce has grown 60 percent in two years to more than 80 at the Ottawa headquarters, a sales operation in the U.S. and research and production facilities in China.

Vice-president Steve Bauer said, "We will use this money to scale our manufacturing operations to support volume production for our prospective customers, which are Tier 1 system providers. In addition, this money will be used to hire key operations and engineering personnel who will be critical to bringing our family of transceiver products to market."

We are the only component provider to have developed fully integrated transceivers for the access market. This gives us significant advantages over (current) providers – whose products must be manually assembled from multiple parts – in cost, reliability, quality and performance."



Jim Hjartarson is CEO of OneChip Photonics.
Photograph by: Chris Mikula, The Ottawa Citizen

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