calgary economic development
be part of the energy™

Hockeystick



Calgary Tech Report

Q4 2020 and long term trends

In-depth coverage of Calgary tech ecosystem.

Investment in Calgary's technology ecosystem almost doubles year-over-year

$307M

Total funding raised in 2020

↑ Up 88%

34

Deals in 2020

↑ Up 26%

62

Investors

↑ Up 195%

Hockeystick is a data insights provider with the largest database of Canadian startups from public sources as well as aggregate data from startups, Venture Capital and Angel organizations. This is the first of our quarterly reports on Calgary's tech and innovation ecosystem, sponsored by Calgary Economic Development.

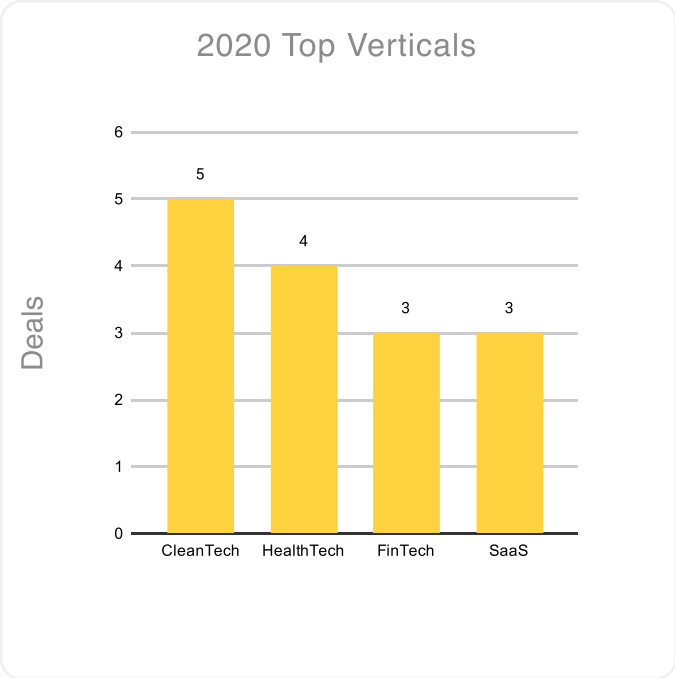
Hockeystick reports are a deep dive on investments in technology companies for an ecosystem, due to this, numbers may vary from general venture capital activity reports. In this first report, we start by looking at what has changed in the Calgary tech and innovation ecosystem in 2020. We will also look at talent and funding in the overall ecosystem.

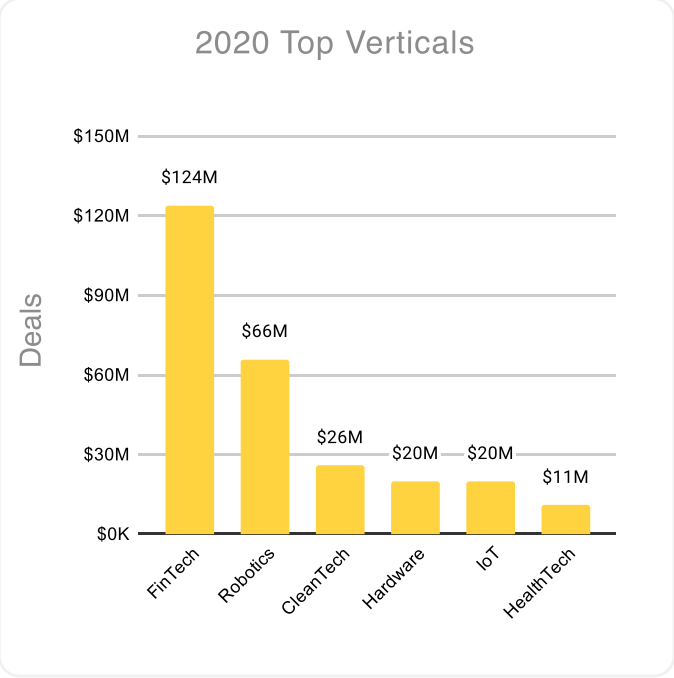
2019-2020 Trends

While the total number of deals in 2020 was up slightly over 2019, total funding was up 88 percent to $307 million. The total number of investors involved in deals was 62 in 2020, a 195 percent increase from 2019. This equates to a $144 million increase in investment in the Calgary tech and innovation ecosystem from 2019 to 2020.

The emergence of healthtech and fintech in Calgary's tech and innovation ecosystem

In 2019, investment in Calgary's cleantech companies dominated the overall investment and number of deals. It was far more balanced in 2020, with the emergence of healthtech with the second highest number of deals and fintech and Software as a Service (SaaS) tied for third. While both healthtech and fintech in Calgary emerged in 2020, fintech leads all other verticals in total investment dollars, attracting $124 million or 37 percent of total investment in 2020.





Ecosystem Partners - Programs and Talent

In addition to healthtech and fintech, the Calgary tech ecosystem continues to grow with more than 35 ecosystem support organizations, including coworking spaces, incubators and accelerator programs. These highly connected ecosystem support organizations help startups in early to middle stages of growth.

SUPPORT ORGANIZATION



A significant pool of local talent for these growing tech companies is available through the University of Calgary, Mount Royal University, SAIT's School for Advanced Digital Technology and Bow Valley College. This pipeline of talent from Calgary post-secondary institutions is evident in two of the largest deals in 2020, Symend and Neo Financial. Thirty-seven percent of Symend and 24 percent of Neo Financial employees have graduated or taken courses from Calgary post-secondary institutions. While a significant portion of employees are from Calgary post-secondary institutions, there are currently more than 2,400 technology sector job openings posted on LinkedIn, another indicator of the technology ecosystem's continued growth. Given the tech growth in the region, micro-credential programs like EDGE UP, Lighthouse and NPower are also helping with the increased demand for tech talent.

POST-SECONDARY SCHOOLS



Ecosystem - Capital

Technology companies in a growing ecosystem need access to capital at different stages in their lifecycle. The Calgary ecosystem is showing capital support across these stages with 53 percent of deals below Series A financing and 47 percent of the deals at Series A or above for 2020, but there may be signs of a funding gap for very early stage startups.

Using aggregate 2019 and 2020 data, as shown in the table below, the distribution of deal size in the Calgary ecosystem looks healthy from $250,000 upward. From an ecosystem health perspective, the under $250,000 deal size is the starting point of the growth funnel and typically contains the largest number of deals. When the number of deals under $250,000 are low over a long period of time, this can result in the slowdown in the creation of new companies in the region, which in turn impacts the number of growth stage companies in coming years.

Sometimes, deals below $250,000 are undisclosed or not reported at all, so it can be hard to validate if there is a gap. With that in mind, the low number of deals under $250,000 in the Calgary ecosystem could mean that there are a low number of new ventures or a lack of investors available in this stage. This shortage could be a result of changes to the Alberta Investor Tax Credit Program in 2019 as the Government of Alberta explored new ways of attracting investment in tech. In 2020, Angel Investment Group Allied Venture Partners launched in Calgary, focusing on early stage tech companies. Startup TNT hosted a province-wide virtual deal screening event where more than $1.1 million was invested in five pre-seed and seed stage startups, of which three were Calgary based.

Distribution of deal sizes for 2019-2020

Range	Total Deals	$ Millions
Unknown	9	-
0 - $250K	4	$.4M
$250K - $1M	8	$6.3M
$1M - $5M	24	$59.3M
$5M - $10M	5	$36.8M
$10M - $30M	6	$105.3M
$30M+	5	$262.2M
Total	**61**	**$470.1M**

The fintech space had two notable investments in 2020, Neo Financial raised a $50 million Series A while Symend raised a $73 million Series B. Both Neo Financial's Series A and Symend's Series B rounds are the largest Series A and B rounds in recent Alberta history. Beyond Fintech, Attabotics, a robotics company, was also one of the largest deals in 2020, raising a $66 million Series C.

Symend $73M

Symend, founded in 2016, created a technology platform that combines behavioral science and AI to deliver deep insights into consumer behavior in order to resolve past due bills. This enables Symend's enterprise customers to digitally interact with their at-risk customers with empathy. Symend stated the money from its Series B round would be used to invest heavily in development of its technology, expand into new verticals and geographies, and grow the team across Canadian and U.S. operations.

Attabotics Inc $66M

Attabotics, founded in 2015, creates robotic warehousing and fulfillment systems that helps commerce companies modernize their operations. Attabotics plans to use the money raised to accelerate its commercial deployment, new technology and scale manufacturing operations. In Q4 2020, Attabotics also received $34 million in project based funding from the Government of Canada's Strategic Innovation Fund to support R&D and new jobs.

Neo Financial $50M

Neo Financial, founded in 2018, was created to bring innovation and choice to consumers in Canada, where the main five banks own 90 percent of the market share. As a digital-first alternative in Canada's banking landscape, its technology is designed to simplify finances and create rewarding experiences for all Canadians. Neo Financial is using the funds raised to continue expansion of the Neo Mastercard, grow its team, launch new bank products and expand across Canada.

EARLY STAGE

BLUESKY EQUITIES LTD

InterGen

THIN AIR LABS

AVAC group

THE 51

LATER STAGE

BMO

bdc

Honeywell

ignition

Impression Ventures

Mistral VENTURE PARTNERS

ONTARIO TEACHERS' PENSION PLAN

TELUS Ventures

inovia



VISIONARIES

Fancy goggles aside, the reality before our eyes is that Calgary is an opportunity-rich city. We are home to innovators, dreamers and problem solvers whose signature entrepreneurial spirit allow them to see opportunity where others might not. These visionaries are turning heads across all of our sectors each and every day. They embody the vision for our city and are helping put Calgary and our innovation ecosystem on the global map as a place where people come to solve some of the world's greatest challenges.

With the breadth of our talented people and the strength of our community, the opportunities in Calgary are limitless. Take a closer look at Calgary's visionaries at **livetechlovelife.com/stories**

Calgary: Canada's most adventurous tech city.™

calgary
be part of the energy

$75.1M

Total funding raised in Q4 2020

↓ Down 21%

8

Deals in 2020

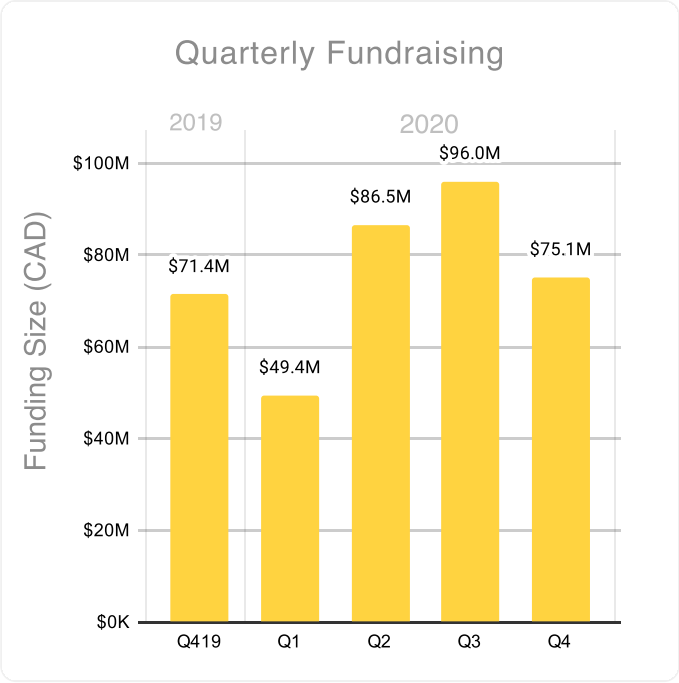
↓ Down 33%

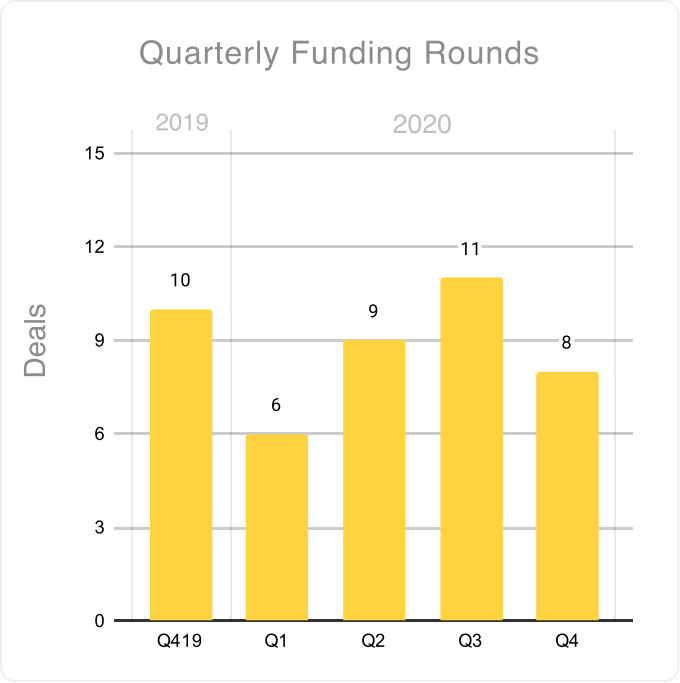
17

Investors

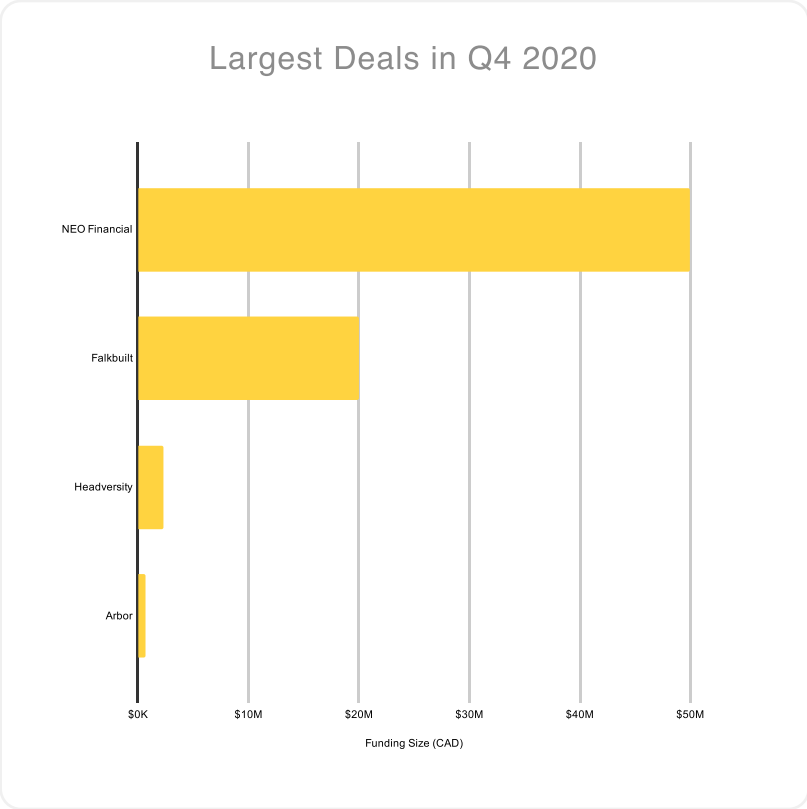
↓ Down 45%

Activity in Q4 2020 was up seven percent in overall funding compared with Q4 2019 but down in deal volume and funding compared with Q3 2020. From a stage perspective, the number of Series A deals were down by two in Q4 compared to Q3 but the drop in total funding can be better accounted for in the number of deals in the $5 million to $10 million range and the under $250,000 range. Q3 had three deals in the $5 million to $10 million range and zero deals under $250,000, while Q4 had zero deals in the $5 million to $10 million range and three deals under $250,000.





The largest deals in Q4 include fintech, construction tech and healthtech verticals.



Falkbuild $20M

Falkbuild, founded in 2019, is a construction tech company, digitalizes interior construction to create precision prefabricated components and kits in its factory that are shipped and assembled at job sites. Falkbuild's Echo technology platform also collects and manages all project information for integration into existing industry standard software. Falkbuild is using the $20 million Series A to grow market share and meet a surge in demand.

Headversity $2.3M

Headversity, founded in 2017, is a healthtech company, providing a workplace mental wellness app that empowers people to measure, track, and train their own resilience. The Headversity program offers companies mental wellness education and data technology to help improve workplace culture. Headversity is using the $2.3 million seed funding to continue to build the platform and expand its team to support the increased client demand.



Koho
Shopify

Find your
next Startup

Leverage the power of Hockeystick matchmaking to connect with the best startups in the tech ecosystem.

Get Started with Hockeystick ›

www.hockeystick.co



Rob Darling

Hockeystick research partner

Rob is an entrepreneur, passionate about building technology companies. He is actively involved in the technology community working with founders and their leadership teams as an Advisor, Coach and Strategist.



Hockeystick

© Copyright 2021 Hockeystick.co Inc. All rights reserved.

Download other editorial reports at www.hockeystick.co/editorial

www.hockeystick.co / +1-800-593-6707