



GTA Tech Report

Q4 2020

In-depth coverage of the Greater Toronto Area tech ecosystem.

Investments in healthtech led the way for the GTA tech ecosystem in 2020

\$1.2B

Total funding raised in 2020

186

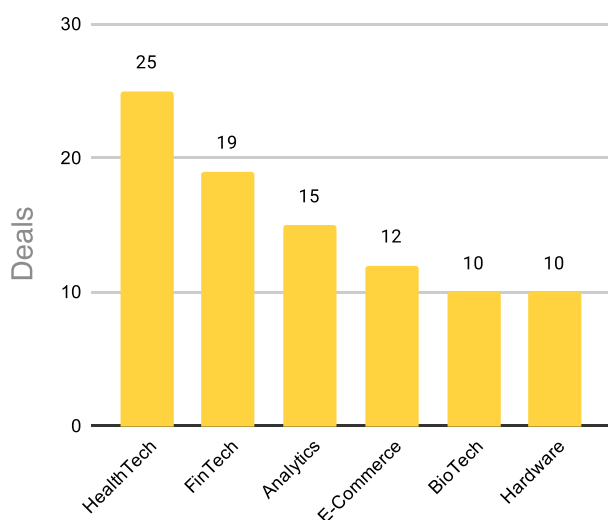
Deals in 2020

193

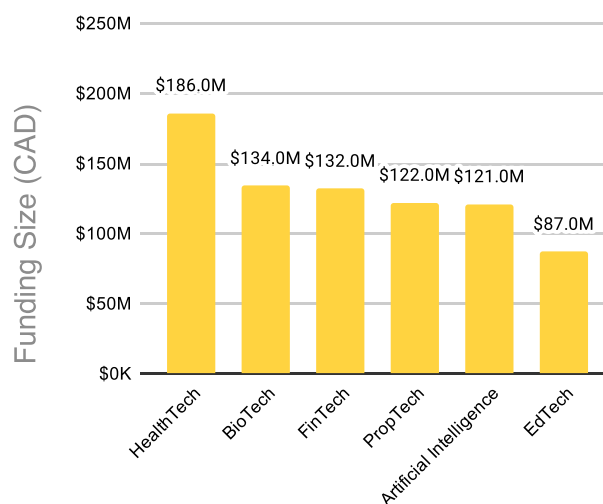
Investors in 2020

In 2020, the GTA tech ecosystem had 186 investments totalling \$1.2B led by deals in the healthtech, fintech and analytics verticals respectively. While the top three company investments were in property tech, edtech and AI verticals, healthtech led in overall investment with \$186M in funding, followed by BioTech with \$134M in funding.

2020 Top Verticals



2020 Top Verticals



Ecosystem - Capital

Access to talent for the growing companies is available through York University, University of Toronto, Ryerson University, OCAD University, Seneca College, George Brown College and Centennial College. This pipeline of talent from Toronto post-secondary institutions is evident in the three largest deals in 2020. 27 percent of Properly, 25 percent of Top Hat and 24 percent of Ada employees have graduated or taken courses from Toronto post-secondary institutions. While a significant portion of employees are from Toronto post-secondary institutions, there are currently over 16,000 technology sector job openings posted on LinkedIn.

Technology Companies in a growing ecosystem need access to capital at different stages in their lifecycle. In 2020, the Toronto ecosystem is showing capital support across all stages with Early Stage deals accounting for 47 percent, Series A deals accounting for 18 percent and Late Stage deals accounting for 34 percent. This barbell distribution is typical across the 5 Canadian ecosystems we currently report on. Also, if we look at the ecosystem through the distribution of deal sizes for 2020, there seems to be solid support across the different deal sizes.

Distribution of Deals by Stage for 2020		
Unknown	3	1.61%
Early Stage	87	46.77%
Series A	33	17.74%
Late Stage	63	33.87%

Distribution of deal sizes for 2020		
Range	Total Deals	\$ Millions
Unknown	32	-
0 - \$250K	21	\$1.9M
\$250K - \$1M	23	\$15.4M
\$1M - \$5M	54	\$158.8M
\$5M - \$10M	33	\$255.6M
\$10M - \$30M	16	\$294.1M
\$30M+	7	\$432.9M
Total	186	\$1,158.7M

Properly \$100M



Founded in 2018, Properly is a tech-enabled realty brokerage that acts as a temporary replacement for a traditional sale, allowing you to get firm financing to buy your next home without needing to sell, or even list, your current home first. The \$100M CAD in venture debt from Silicon Valley Bank and i80 Group will be used as a safety net to help Properly purchase homes from its customers when a house is on the market past the 90-day grace period.

Top Hat \$74.5M



Founded in 2009, Top Hat is used by postsecondary professors for engaging classroom activities, textbooks, assignments, and tests, as a way to replace legacy paper course materials with digital, interactive tools. Top Hat plans to use the \$74M to increase the number of partnerships it has with publishers, enhance its technology platform as well as grow the sales and marketing operations by 30 percent.

Ada \$63.7M



Founded in 2016, Ada builds an AI chatbot that allows customer support teams to provide automated responses to inbound customer requests and questions. The round was led by Accel, with participation from existing investors Bessemer Venture Partners, FirstMark, Version One, Leaders Fund, and Burst Capital. Ada said it will use the \$63M to scale and add more functionality to its chatbot platform.

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\$243.7M

Total funding raised in Q4 2020

↓ Down 22%

47

Deals in Q4

↓ Down 7%

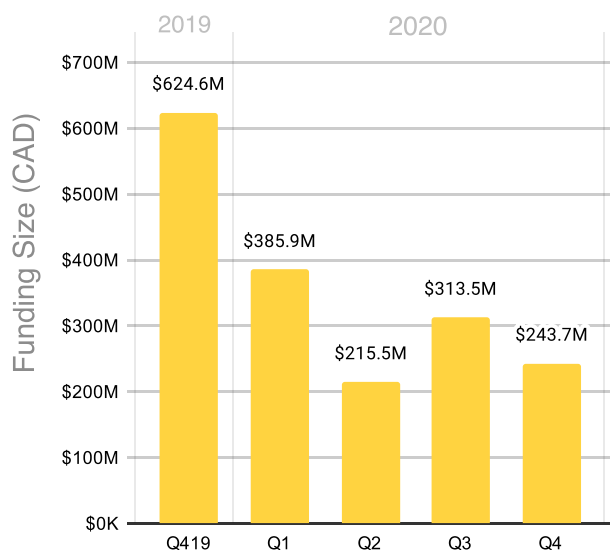
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Investors

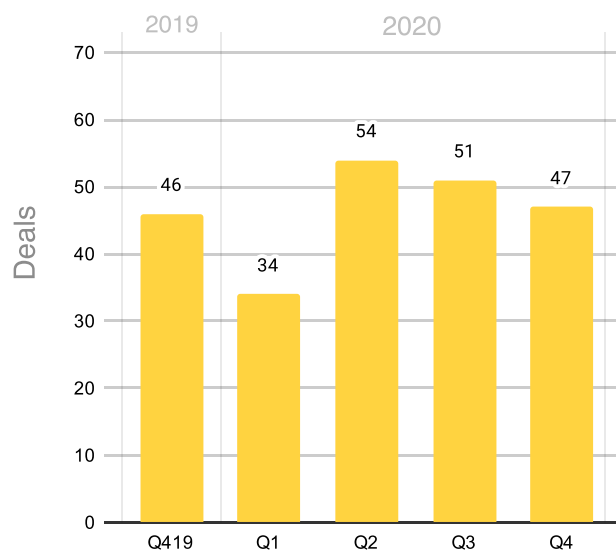
↓ Down 30%

Q4 2020 was led in deals by the fintech, healthtech, analytics and biotech verticals with fintech and logistics tech leading in capital raised. Overall, Q4 2020 saw a decrease in investors, deals and total funding compared to the previous quarter. Although Q4 2020 is down more than 60 percent in funding compared to Q4 2019, that gap is due to two large deals in Q4 2019 totalling \$379M for 1Password and Geneseeq combined.

Quarterly Fundraising



Quarterly Funding Rounds



Gatik \$33.9M



Founded in 2017, Gatik which makes an autonomous driving solution for B2B short-haul logistics. Gatik's Series A was led by Wittington Ventures and Innovation Endeavors, with participation from First Move Capital, Intact Ventures, Fontinalis Partners, Dynamo, Reilly Brennan's Trucks VC, Intact Ventures, and AngelPad. Gatik is using the \$33M to continue expanding their retail partnerships, fleet deployments, technology enhancements and growing their team.

TailScale \$14.5M



Founded in 2019, TailScale was created by a group of former Google software engineers. The startup claims to make network security accessible to teams of any scale. TailScale's technology helps remote teams securely access services without the "long setup times of traditional VPNs." The Series A raise was led by Accel, with participation from Heavybit, which led the seed round, and fellow existing investor Uncork Capital. TailScale plans to use its Series A funds to grow its engineering team and build out its first marketing and sales teams.

Janpix \$13.6M



Janpix, a University of Toronto biotech startup, "is developing compounds that attack various forms of cancer. Their efforts are focused on signal transducers and activators of transcription (STATs), a group of proteins that regulate several genes linked to multiple hallmarks of cancer, including uncontrolled cell proliferation and cell immortality."

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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.



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