



Montréal Tech Report

Q4 2020 and trends

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

Montreal's ecosystem shows support across all funding stages in 2020 but Q4 2020 funding was at its lowest point.

\$1.15B

Total funding raised in 2020

110

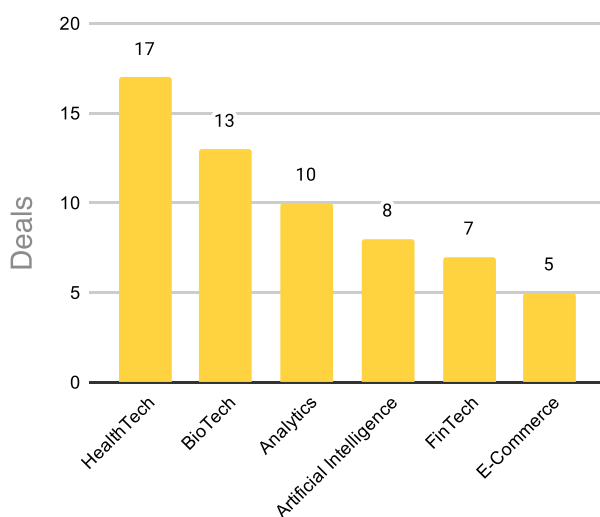
Deals in 2020

84

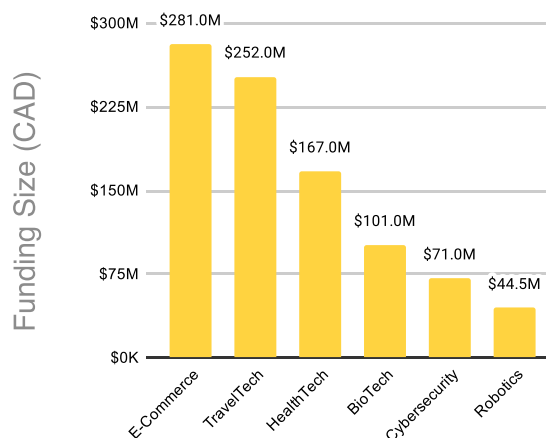
Investors in 2020

In 2020, the Greater Montreal tech ecosystem had 110 investments totalling \$1.15B led by deals in the healthtech, biotech and analytics verticals respectively. The top three company investments were in e-commerce, traveltech and healthtech verticals, while e-commerce led in overall investment with \$281M in funding.

2020 Top Verticals



2020 Top Verticals



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AppDirect \$250.7M



Founded in 2009, AppDirect uses cloud technology to connect channels, developers, and customers through its platform, aiming to simplify the digital supply chain by facilitating the onboarding and sale of products with third-party services. The deal was led by new investor the Caisse de dépôt et placement du Québec, with participation from previous investors Inovia Capital, JPMorgan Chase, and Mithril Capital. AppDirect said the \$250M will go towards expansion, acquisitions, and new hires.

Sonder \$230.4M



Founded in 2012, Sonder is a platform that allows travelers to book rooms in the same way as Airbnb, except spaces aren't rented out by the owner of the room. Sonder leases the units itself and furnishes the rooms to reflect the vibe of the city. Sonder's \$230M series E was led by Fidelity, WestCap, and Inovia Capital. In December 2020, Sonder announced that it was opening an office in Montreal with plans to hire an additional 700 employees over the next 5 years.

Ventus Therapeutics \$84.7M



Founded in 2019, Ventus Therapeutics is a biotech company working on small molecule medicines that target the innate immune system. The \$84.7M Series A financing was led by Versant Ventures with participation by GV (formerly Google Ventures) with proceeds being used "to advance three pipeline programs and to expand the company's structural immunology platform to pursue previously intractable drug targets".

Ecosystem - Talent and Capital

Access to talent for the growing companies is available through Montreal's high number of universities and colleges. There are roughly 248,000 post-secondary students in Montreal's universities and colleges. The pipeline of talent is one reason why companies like Sonder are expanding in Montreal. Currently, 19 percent of AppDirect, 7.5 percent of Sonder and 39 percent of Ventus employees have graduated or taken courses from Montreal post-secondary institutions. There are currently over 14,000 technology sector job openings for the Montreal area posted on LinkedIn.

Technology Companies in a growing ecosystem need access to capital at different stages in their lifecycle. In 2020, the Montreal ecosystem is showing capital support across all stages with Early Stage deals accounting for 42 percent, Series A deals accounting for 16 percent and Late Stage deals accounting for 46 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 ranges.

Distribution of Deals by Stage for 2020		
Unknown	6	5.45%
Early Stage	42	38.18%
Series A	16	14.55%
Late Stage	46	41.82%

Distribution of deal sizes for 2020		
Range	Total Deals	\$ Millions
Unknown	19	-
0 - \$250K	11	\$1.4M
\$250K - \$1M	16	\$10.8M
\$1M - \$5M	31	\$80.8M
\$5M - \$10M	14	\$99.5M
\$10M - \$30M	12	\$168.8M
\$30M+	7	\$784.6M
Total	110	\$1,145.8M



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\$103.3M

Total funding raised in Q4 2020

↓ Down 68%

24

Deals in Q4

↓ Down 4%

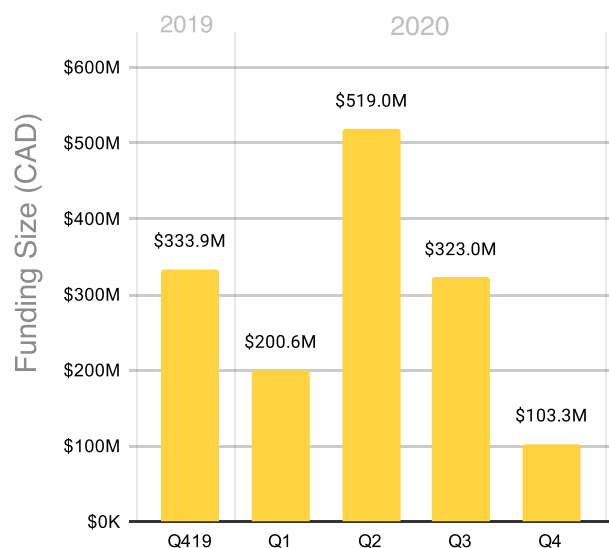
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Investors

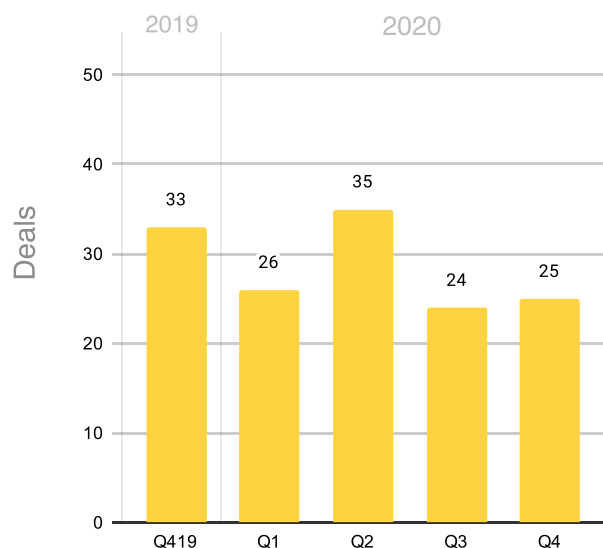
↑ Up 24%

Q4 2020 was led in number of deals by the analytics, healthtech and biotech verticals with the edtech vertical leading in total capital raised. Overall, Q4 2020 saw a decrease of 4 percent in deals and 68 percent in total funding compared to Q3 2020, largely due to the \$250M AppDirect investment.

Quarterly Fundraising



Quarterly Funding Rounds



Paper \$16.9M



Founded in 2014, Paper, formerly GrandSlam, offers a platform and tutors for K-12 students and allows teachers to track student progress. This \$16.9M investment was led by Framework Venture Partners with participation from Salesforce Ventures, Real Ventures, Reach Capital, Bullpen Capital and Birchmere Ventures.

Local Logic \$8M



Founded in 2015, Local Logic aims to help real estate websites better match people with places. The startup's AI-based algorithm is aimed to give real estate investors, developers and other professionals a more holistic picture of a given market and related consumer demand. The round was led by GroundBreak Ventures. Other participants included Shadow Ventures, BDC Capital, Jones Boys Ventures, Cycle Capital, and Desjardins Capital. The \$8M is being used to double the team, increase their footprint in the USA and platform enhancements.

Aifred Health \$4M



Founded in 2017, Aifred uses AI to help clinicians and patients make choices on treatments to support better treatment management, and matching of individual patients to the right treatment. The \$4M round was co-led by MEDTEQ+ and BDC Capital, with additional support from the Desjardins Group, Highline Beta, and other private and institutional investors.

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Rob Darling

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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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