

A low-angle photograph of a modern glass skyscraper with a grid-like facade, reflecting the sky and surrounding environment. The building is the central focus of the background image.

Waterloo Tech Report

Q1 2021

In-depth coverage of the Waterloo Region tech ecosystem.

Waterloo Region experienced its lowest quarter in total investment but saw an increase in the number of deals.

\$14.7M

Total funding raised

↓ Down 95% over Q4

14

Deals

↑ Up 75% over Q4

20+

Investors

↓ Down 25% over Q4

In Q1, the Waterloo Region tech ecosystem had 14 investments totaling \$14.7M CAD from 20+ investors. Looking back to Q1 2019, this is Waterloo Region's lowest quarter in total investment. While a part of this can be explained through the large investments in Applyboard, Faire, MioVision, eSentire and others in previous quarters, it may be a sign that there are currently not enough scale-up companies in the overall ecosystem. In comparison, other ecosystems across Canada have experienced their best quarter ever in total investment or been on par with previous quarters.

Distribution of Rounds for Q1

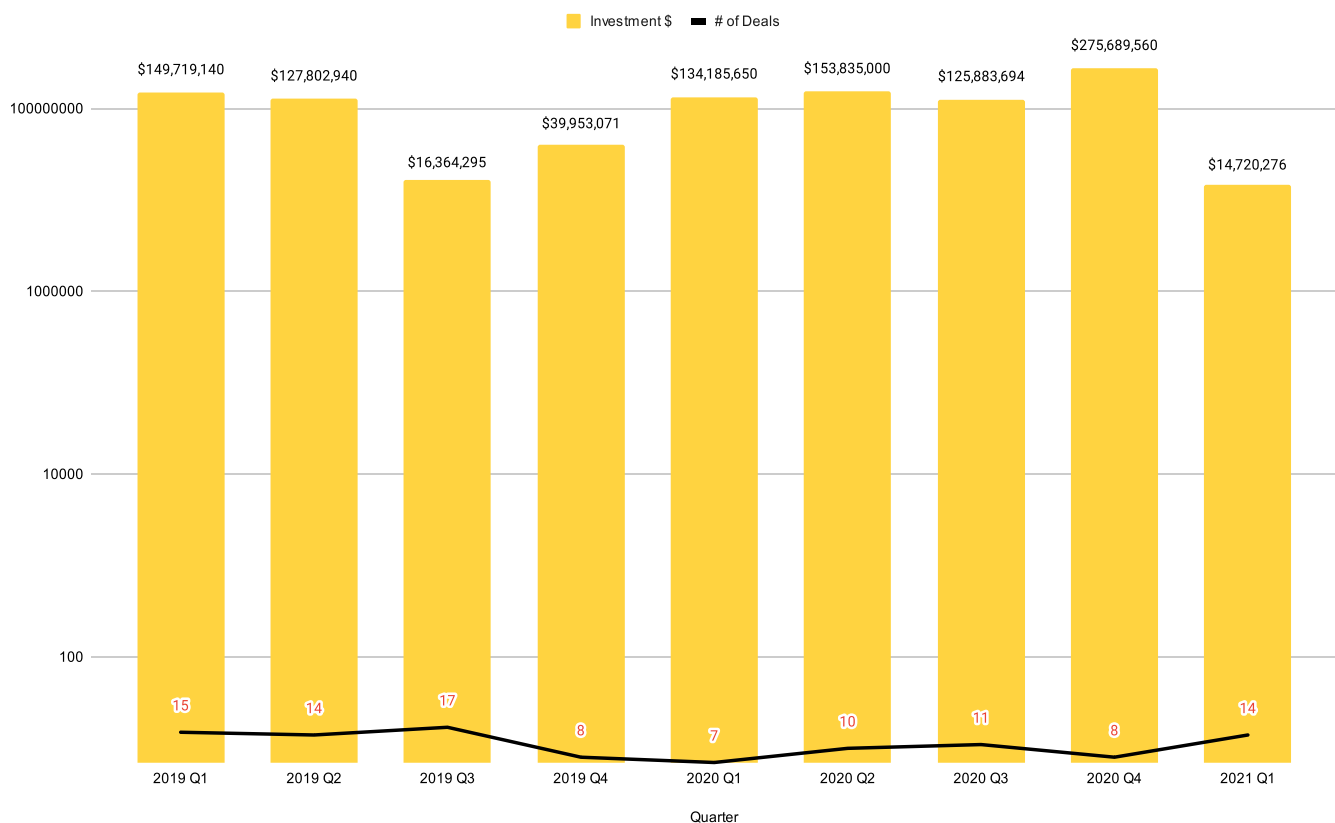
Round	Total Deals	%
Not Defined	1	7%
Grant	1	7%
Pre-seed	6	43%
Seed	5	36%
Series A+	1	7%
Acquisition	3	-
Total	14 Deals, 3 Acquisitions	100%

Quarter over Quarter

While the total investment is low in this quarter, the number of deals (14) is healthy compared to Calgary (18) or Montreal (18) who both have over 2x the population density of Waterloo Region. Waterloo Region saw a 75% increase in the number of deals and a 95% decrease in total investment compared to last quarter. If you look back to Q1 2020, this quarter has seen the number of deals increase 100% and total investment decrease by 89%. The Artificial Intelligence vertical led the way this quarter with 18% of the deals.

Also of note in Q1 were the acquisitions of Athena Software, a HealthTech SaaS solution, by USA based Social Solutions for an undisclosed amount; Octupuz, a robotics software company, by Sweden headquartered ESAB for an undisclosed amount; and TruLocal, a FoodTech company, by Toronto based Emerge Commerce for \$16.8M.

Q1 2021 Investment and Deals



Talent

Currently there are over 3,000 jobs posted on LinkedIn for the tech industry. To see who's hiring check out Waterloo's tech jobs at <https://workintech.ca>

Clearpath Robotics \$6.3M CAD



Founded in 2009, Clearpath Robotics focuses on autonomous robotics development. In 2015, the company established its Otto Motors division to focus on the use of autonomous mobile robots for materials handling in warehouses and factories. The funding comes in the form of convertible note from BDC Capital.

Motion Gestures \$2.5M CAD



Founded in 2017, Motion Gestures develops AI-based software for third-party cameras, and specializes in hand tracking and gesture recognition. The seed extension round was led by Allen Miner with participation from China Canada Angel Alliance, Golden Triangle Angel Network, Keiretsu Forum, Propel(X) and Udtara Ventures.

Tyltgo \$2.3M CAD



Founded in 2018, Tyltgo's platform connects couriers to retail clients that range from meal kit providers, florists, and pharmacies. The seed round was led by TI Platform Management with participation from Y Combinator and Charlie Songhurst.

Cavelo \$1.3M CAD



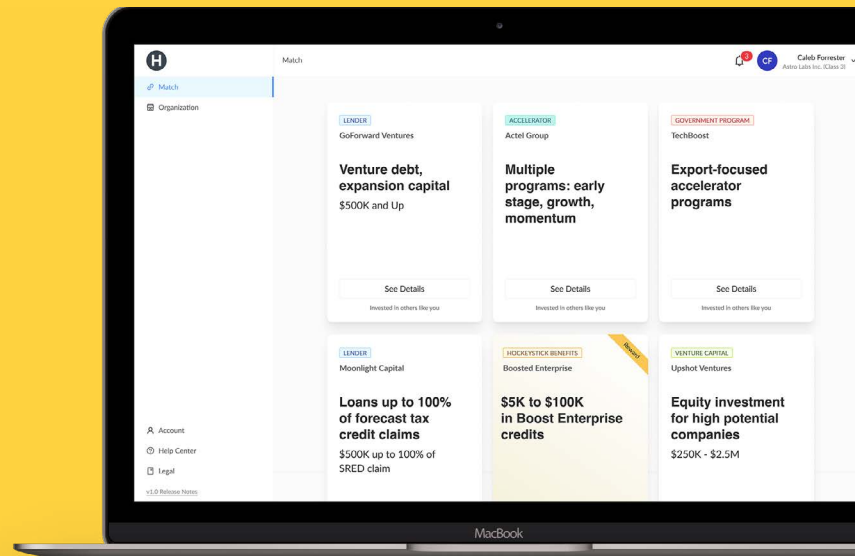
Founded in 2020, Cavelo is a data discovery and cybersecurity compliance startup that aims to help businesses reduce data risk with its automated data discovery, classification and reporting software. The pre-seed round was led by MaRS IAF with participation from Mark Morin and other angel investors.

LEAD INVESTORS IN TOP DEALS



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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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