

COMMUNIT^{TECH}TECH

A community of tech.

FY2021 Annual Report



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Vice-Chair of the Board

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CEO, Kiite

Secretary of the Board

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General Counsel

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Debbie Gamble, Chief Officer, Innovation Labs and New Ventures, Interac

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Iain Klugman, President & CEO, Communitech

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Sarah Prevette, CEO & Founder, Future Design School

Jay Shah, Entrepreneur & UWaterloo Engineer

Jennifer Smith, Director of Product, Google Cloud, Google Canada

Michael Worry, CEO, Nuvation Engineering

Message from the board

If there's a word that sums up FY21 for Communitech, it's "more" – and if that word were a person, its name would be Iain Klugman. In a singularly challenging year that demanded so much more from all of us, Iain gave exactly that to Communitech, his community and his country. More leadership. More hard work. More creativity. More collaboration.

Most crucially, Iain gave us more of his time – an extra year of it, beyond his original planned departure – to see us through the worst of the COVID-19 pandemic while we searched for, and found, a worthy successor in Chris Albinson.

Under Iain's continued leadership, Communitech stepped up and did more of everything to help our companies and the broader community weather the crisis and come out even stronger.

Working with government partners, we helped ensure a strong policy response to the pandemic through continued supports for our companies, and were instrumental in delivering the Digital Main Street program, which helped 5,000+ small businesses across Southern Ontario adapt to serving their customers digitally during lockdown.

We adapted our virtual programming to address the unique challenges around talent and capital that our companies faced due to the pandemic, while continuing to deliver on and expand our core offerings to startups, scale-ups and enterprise customers.

And, while COVID-19 might have derailed Iain's dream of a community-wide True North Festival, he nonetheless kept Communitech's compass pointed firmly in the direction of Tech for Good, personally hosting more than two dozen topical and thoughtful episodes of True North TV.

All the while, amid extraordinary circumstances, our companies continued to break new ground and attract ever more investment, setting the table for a new era of growth for Waterloo Region and Canada.

As Iain passes the torch to Chris in our quest to own the podium in global innovation, the Board extends its sincere thanks to Iain for his 17 amazing years of service, and to you – our members, partners and stakeholders – for your continued support.

– **Dave Caputo, Chair of the Board, Communitech Corporation**

Klug's notes

Well now, that was fun.

Seventeen years, two months and 18 days of the most extraordinary adventure. Of working with an amazing team to do things that people said could not be done.

Over those 17+ years, Communitech has helped close to 5,000 companies raise capital, hire talent, drive revenue and win – we have been there in good times and bad.

Communitech has delivered many firsts for Canada:

- The first venture services organization with the first executives-in-residence model in Canada
- A \$105M digital and mobile strategy – which created the Communitech Hub in downtown Kitchener, launched Canada's Tech Network and created the international Soft Landing program
- Launching near-earth orbit satellites, building Canada's Open Data Exchange and opening a dedicated space for data-driven companies in Uptown Waterloo
- Multiple accelerators – beginning with Hyperdrive, and then REV and Fierce Founders, which evolved to provide support for diverse, woman-identifying and/or non-binary founders in Canada
- Bringing 2,000 people to Waterloo Region to explore the intersection between tech and humanity during the True North festival

We've also delivered corporate innovation at scale and built a \$50-million scale-up platform for southern Ontario. We've attracted expat talent back to Canada and driven an agenda of digital adoption and Tech for Good, pushing companies to be accountable for the tech they build and how people use it.

With Communitech, I wanted to build a different kind of corporation; one that cares about our customers, our community and Canada. One of purpose. Where we build amazing things that challenge convention. Where we help our customers win, our investors generate a return, our partners succeed and our community prosper.

As I pass the torch to our next CEO, Chris Albinson, I know the good work will continue.

And I remain a grateful champion for Canada's Community of Tech.

– **Iain Klugman, President and CEO, Communitech Corporation (2004 – 2021)**





Helping tech-driven companies

Communitech helps tech-driven companies start, grow and succeed. But how do you do that during a pandemic? Well, we didn't wait to find out. We did what we always do. We hustled. We collaborated. We did good – Tech for Good™.

Check out the highlight reel.

Protecting people, jobs and companies:

- Ramped up CEO Peer2Peer groups to be more responsive to customer needs
- Delivered weekly Ask Me Anything sessions on relevant topics to share information as quickly as possible
- Shifted our programming to a virtual format
- Rolled out programs to help Waterloo Region's tech ecosystem survive the initial shock of the pandemic
- Focused on wage subsidy eligibility for tech companies and helped facilitate improved credit facilities
- Helped secure the Innovation Assistance Program and the Regional Relief and Recovery Fund
- Led digital transformation for main street businesses across southern Ontario, supporting 5,232 business owners and hiring 664 students and young professionals
- Gathered concerns from startups and scaling companies to inform government programs
- Organized meetings and roundtables with federal and provincial ministers of economic development, small business and the president of the National Research Council
- Organized This, Too, Will Pass where the people of tech raised \$208,858.03 in five weeks for seven charities to help ease the strain of the pandemic
- Hosted a PPE drive with Catalyst Capital that collected 1,095 boxes of gloves, 2,183 boxes of masks, 522 surgical gowns, 40 bottles of anti-virus spray and more.

Startups

597 startups helped.

3,870 mentor hours provided.

34% of startups supported had a female founder.

Scale-ups

188 scale-ups helped.

4,348 mentor hours.

Enterprise

144 enterprise companies helped.

50+ collaborations and partnerships between corporates and startups/scale-ups.

17 innovation labs hosted in our facilities

Intellectual property:

- Delivered two cohorts of Communitech Academy's Strategic Intellectual Property for Tech Leaders program
- Hosted two Ask Me Anything sessions focused on intellectual property as a strategy for growth

Fierce Founders:

- Launched the Fierce Founders Uplift track to help woman-identifying and/or non-binary founders from under-represented groups grow their businesses
- Welcomed 10 companies to the Uplift track and nine companies to the Intensive track
- Hired six additional growth coaches to provide tailored and diversified support for founders

Enterprise:

- Trained 200+ members of the Royal Canadian Air Force (RCAF) and Army in human-centred design and innovation fundamentals
- Ran workshops for the RCAF and Navy to tackle problems related to internal communication, engineer process change, app development and streamlining training

Communitech Outposts:

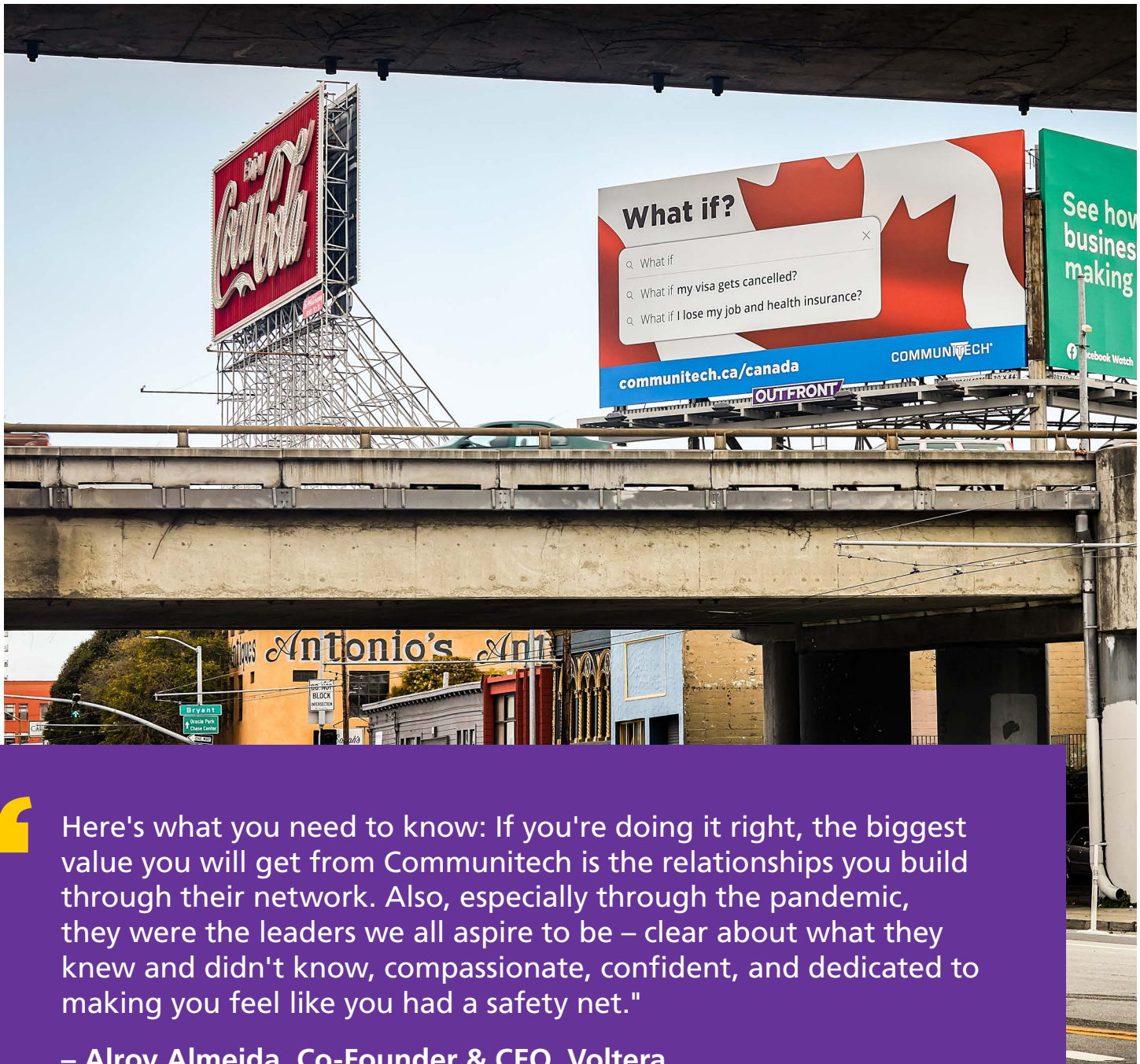
- Expanded services to 160+ countries
- Helped 15 member companies hire 22 people without having to establish a physical international presence
- Identified increased demand as companies return to growth and the battle for talent intensifies (with a focus on remote work)

H-1B Talent Campaign

- Ran a billboard campaign in New York City's Times Square and on eight digital billboards along U.S. Route 101 through Silicon Valley to attract talent to the Canadian tech ecosystem
- Ran a digital ad campaign for audiences in Silicon Valley and Boston
- Made 31,404,882 traditional media impressions in online articles, radio shows, TV interviews and more
- Heard from more than 75 U.S. tech workers interested in bringing their talent north

Future of x

- Wrapped up our pilot collaborative – The Future of Work & Learning Coalition
- Brought together corporate partners, start-and-scale companies, and payment providers to tackle two challenges through the Future of Retail collaborative:
 1. Opportunities for emerging technology, such as AI and VR, in retail applications
 2. Supporting the “buy local” movement by engaging community-based platforms
- Brought together cities and private companies through the Future of Cities to explore how data can be combined and used to optimize first-mile and last-mile transit solutions to reduce cost and emissions



“

Here's what you need to know: If you're doing it right, the biggest value you will get from CommunitECH is the relationships you build through their network. Also, especially through the pandemic, they were the leaders we all aspire to be – clear about what they knew and didn't know, compassionate, confident, and dedicated to making you feel like you had a safety net."

– Alroy Almeida, Co-Founder & CEO, Voltera

Strengthening the ecosystem

As Ross Geller would say, “PIVOT!” OK, we couldn’t help ourselves. But “pivot” took on added significance as a buzzword in 2020. And pivoting during a pandemic is a lot more confusing than pivoting a couch up the stairs on a ‘90s sitcom.

During a time where the skills of tomorrow instantly became the skills of today, quick pivots enabled us to deliver Communtech Academy programs virtually. Last year saw 421 participants enrolled in 28 Academy programs.

Hiring didn’t stop during the pandemic, but it did change – so we hosted three virtual Tech Jam events that connected 79 employers with 1,918 open roles to 3,126 job seekers. And since we’re talking about job seekers, it feels like a good time to mention workintech.ca saw 520 employers post 8,129 open roles with visits from 65,000+ job seekers.

ICYMI: The Canadian Digital Media Network (CDMN) is now Canada’s Tech Network – where hubs help hubs, so hubs can help tech companies grow.

Lastly, the Communtech Data Hub is the local delivery partner for the province’s Advanced Technology Platforms. We ran nine programs through the Autonomous Vehicle Innovation Network (AVIN), 17 programs through the Next Generation Network Program (NGNP) and 19 projects through the ENCQOR 5G program.

Peer2Peer Groups

37 active groups.

14,181 members.

Work in Tech

8,129 job postings.

520 new employers registered.

65,000+ job seekers visited.

Tech Jam

3 virtual events.

79 employers.

1,918 open positions.

3,126 job seekers.

Providing place

We're the first place people look for all things tech in Waterloo Region and across Canada. Why? Because we built this.

When the pandemic locked down most of our workplaces, companies shifted to remote work. Some CEOs and founders said they'd no longer need physical office space – but after a year of lockdowns and remote work, many have changed their minds. A hybrid model is emerging as the way of the future.

The Tannery and Data Hub operated at minimal capacity last year, but what's next? We expect high demand for flexible workspaces and hot desks, so we'll make sure we're ready to meet that demand and support our members.

109
virtual events

10,081
attendees



“

One of the keys to our success has been the Waterloo environment. You can grow a company here without some of the pressures that exist in Silicon Valley and some other places where it's a big competition about who can raise more than who and who can grow faster than who. Life is good here for a tech entrepreneur."

– Carol Leaman, CEO, Axonify

FY21 at a glance

April 2020

Communitech brings the Waterloo Region medical community and member tech companies together to help meet urgent pandemic-related tech needs in local hospitals; details are amplified through the Code Now series on Communitech News.

Member edtech startup InkSmith grows from 10 to 150 employees in 30 days as it pivots to making face shields with Communitech's help.

The Waterloo Region Future of Work & Learning Coalition, led by Communitech, launches "The Future (of Work) is Now" to address challenges companies are facing due to COVID-19 and the shift to remote work.

Communitech launches This, Too, Will Pass to provide funds to seven local charities supporting vulnerable people in the community. A total of \$208,858.03 is raised.

May 2020

Communitech launches its first virtual job fair – Tech Jam From Home. It brings together 1,400 job seekers with more than 24 companies.

Communitech launches Return to Work Peer2Peer group. Hundreds of members sign up to hear about how businesses can prepare their return to workplace plans.

Communitech gets a makeover – reducing meeting room capacity, adding plexiglass barriers, and measuring and moving workstations to ensure physical distancing. The team sourced 360 litres of disinfectant spray, installed 350 directional arrows and distributed 200+ "wash your hands, wear a mask, and avoid handshakes" signs.

June 2020

The federal government names Communitech as one of five partners in Future-Proofing Main Street, an initiative that will disburse \$50 million from the federal government and \$7.65 million from the province to support nearly 23,000 Ontario businesses as they transition to a digital future.

In his daily televised briefing, Prime Minister Trudeau cites member companies InkSmith and Nicoya for their pandemic-related work.

Communitech establishes an Anti-Racism, Diversity and Inclusion working group in response to Black Lives Matter rallies.

The True North TV interview series launches on YouTube, hosted by Iain Klugman.

Data & Advanced Technologies hosts a reverse pitch event with Grand River Hospital.



Communitech has been a key part of Encircle's success in many ways... As we continue to scale we rely heavily on our success manager to align us with growth coaches, leadership training, COVID-19 updates and guidance, advocacy for Canada's tech community and more. They've been a true partner from day one!"

– Paul Donald, Founder & CEO, Encircle

July 2020

Communitech launches a billboard campaign in Silicon Valley to persuade tech workers concerned about their H-1B visa status to move to Canada.

Premier Ford visits InkSmith's plant to view PPE manufacturing.

At a roundtable organized by Communitech and FedDev Ontario, Mélanie Joly, Minister for Economic Development and responsible for FedDev Ontario, announces \$30 million in assistance to eight area tech companies to commercialize new technologies and create nearly 500 new jobs.

August 2020

Communitech creates a summary of most popular government funding sources to help companies easily access available funding.

Communitech Outposts onboards its first employee in the United States.

September 2020

The focus of Communitech's H-1B talent campaign, which has attracted major media interest, shifts from the San Francisco Bay area to Times Square in New York City.



October 2020

Ontario Digital Service/Province of Ontario announces the Digital Identity Initiative.

Communitech delivers a Tech for Good™ presentation at the Conference Board of Canada.

November 2020

Communitech hosts its first-ever remote AGM.

Third edition of Tech Jam From Home attracts 1,400 job seekers, 40% of whom are new graduates.

Peter Bethlenfalvy, President of the Ontario Treasury Board and Minister Responsible for Digital and Data Transformation, visits Communitech to discuss long-term recovery of the Ontario economy.

Communitech kicks off its Future of Cities collaborative, with the first virtual event exploring how Canada's cities can be made smarter, more resilient, more efficient and more livable.

December 2020

Workintech.ca now shows job opportunities at member companies across Canada, not just Waterloo Region.

The final episode of True North TV airs featuring a capstone guest – Silicon Valley and Marvel's Eternals star, Kumail Nanjani.



January 2021

First General Member Peer2Peer event launches.

An intellectual property initiative to provide thought leadership and skills training launches.

Communitech CEO Iain Klugman is appointed as a strategic advisor to Health Canada for workplace antigen screening.

February 2021

Communitech announces the first 10 companies accepted into the Fierce Founders Uplift track, a program designed to help underrepresented woman-identifying and/or non-binary founders grow their startups or small businesses.

Communitech Outposts onboards its first global employee in Switzerland.

March 2021

Applications open for Fierce Founders Intensive Track, which offers up to \$50,000 in matching funds per company.

Communitech launches the StaySafe At Work guidebook to operating a workplace rapid screening site after weeks of collaboration with the Government of Canada and the Boston Consulting Group.

Moving forward

Heading into FY22, we are sharpening our focus on supporting Canadian founders and driving economic recovery. But what does that mean for Communitech?

- We'll ramp up support for later-stage scale-up founders with a stretch goal of helping 14 Canadian companies achieve \$1B in annual revenue by 2030.
- We'll work with founders to determine which "sport" will give Canada the best odds of owning the podium on innovation globally.
- We'll keep leading the Tech for Good™ conversation to reinforce Canada's leadership in ethical AI, medtech, cybersecurity and other areas that benefit humanity.
- We'll help early-scale companies that had their growth trajectories flattened by the pandemic.
- We'll keep responding to the startup wave that began in April 2020 and support these companies as they grow.
- We'll stay on top of the changing talent landscape for employers by providing information and resources for the remote workforce, and help founders hire and retain global talent, making them more competitive internationally.
- We'll focus on diversity, equity and inclusion and strengthen our ecosystem through Fierce Founders programming to help founders from under-represented groups to overcome barriers to success, including those caused by the pandemic.
- We'll support our government partners as they innovate and manage economic recovery, and bring greater exposure to the disruptive tech being built in Waterloo Region.

Did you know?

240

woman-identifying and/or non-binary-led companies have graduated from Communitech's Fierce Founders program since 2014.



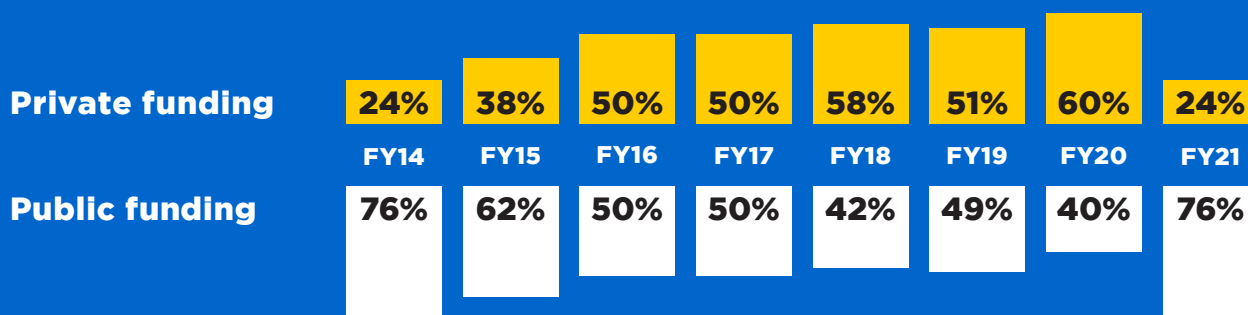
Financial highlights

The Board set a 5-year stretch goal in 2014 to have a 50/50 mix of private and public revenue by 2019, which we have achieved for the past four years.

Throughout FY21 we undertook various initiatives such as the Digital Main Street program and the StaySafe initiative, in order to help both our members and the broader community through the pandemic. These programs were publicly funded which impacted our sustainability ratio.

We anticipated early in the year that we would not have a 50/50 mix this fiscal year. Communitech finished FY21 achieving a 24% private and 76% public revenue ratio.

Sustainability of Base Operations, FY14 – FY21



**Year ended
March 31, 2021**

**Year ended
March 31, 2020**

Revenue	Base Operations \$	Development Initiatives \$	Total \$	Base Operations \$	Development Initiatives \$	Total \$
Public sector revenue						
Communitech revenue	10,262,371	9,844,425	20,106,796	6,981,317	2,536,873	9,518,190
Externally funded partners	—	5,773,234	5,773,234	—	2,739,440	2,739,440
	10,262,371	15,617,659	25,880,030	6,981,317	5,276,313	12,257,630
Private sector revenue	6,994,412	59,203	7,053,615	10,456,937	56,098	10,513,035
	17,256,783	15,676,862	32,933,645	17,438,254	5,332,411	22,770,665
Expenses						
Programs and events	7,324,645	9,672,646	16,997,291	8,359,502	2,394,163	10,753,665
Operations	4,771,356	69,137	4,840,493	5,159,666	73	5,159,739
Communications	3,344,009	90,103	3,434,112	2,249,650	120,219	2,369,869
Administration	1,813,455	71,742	1,885,197	1,669,436	78,516	1,747,952
Externally funded partners	—	5,773,234	5,773,234	—	2,739,440	2,739,440
	17,253,465	15,676,862	32,930,327	17,438,254	5,332,411	22,770,665
Deficiency of revenue over expenses for the period	3,318	—	3,318	—	—	—

Chris' ringside report

Q&A with our CEO,
Chris Albinson.

"It's taken 10 years of very deliberate and hard work for Canadian founders to assert themselves on the world stage, and now they're leading some of the best, most interesting and fastest-growing companies on the planet. So, it's a really exciting time to come back."

Q. Why Canada? Why now?

A: Because that's where the puck is, to use the Gretzky-ism. Recently, it's seemed like we've had billion-dollar companies surfacing every other day. It's taken 10 years of very deliberate and hard work for Canadian founders to assert themselves on the world stage, and now they're leading some of the best, most interesting and fastest-growing companies on the planet. So, it's a really exciting time to come back. I think it's the most exciting place on the planet to be if you're interested in innovation, and in being part of the community as it takes that next step.

Q. What's the biggest opportunity you see for Waterloo Region tech and for Canada's broader community of tech?

A: The world is stepping back and re-evaluating technology and its impact on their lives, and, in particular, the geopolitical dynamic of Big Tech coming out of China and the U.S. As a result, the global community is looking for a third way. Canada is really well positioned – given its fundamental leadership around AI and its brand for doing things in an ethical, transparent way that engenders trust – to be that third way. You just have to look at the Deloitte Fast 50 list, where 65 per cent of the fastest-growing private companies in Canada are enabled by AI and going after multiple sectors, to see that we've got real, tangible, applied ethical AI at work already. And, 60 per cent of those companies are in the Toronto-Waterloo Corridor. So, I think Waterloo Region is really well positioned to lead the world as we apply this fundamental new technology, and do it in a very Canadian way.

Q. Why does the concept of “Own the Podium” resonate so deeply with you?

A: I had the privilege of being at the 2002 Winter Olympics in Salt Lake City and, after a 50-year drought, Canada won the gold medal in both men’s and women’s hockey – and the best hockey game I’ve ever seen in my life was the women’s game. It was a pretty intimate Games as Olympic Games go and, in the village, we got to spend time with the Canadian athletes.

After 50 years of not being at the top of the podium, not only was there a hunger to be there, but a real ethos coming out of the Games of, ‘Why are we not doing this all the time?’ That’s the same sense I get talking to Canadian tech founders. So, to push the analogy, the gold medal in women’s hockey is Shopify, and all the athletes just want to have that level of impact on the global stage, and I agree with them – why are we not doing it all the time?

For me, that metaphor from 2002 to what was achieved eight years later in Vancouver – where Canada won more gold medals than any host country before or since – is really the opportunity that’s in front of us. And I think the community is well set up to do that; we just have to organize ourselves and go execute, and I think that’s going to be a lot of fun.

Q. Why do you think we had that success at the Vancouver Games?

A: Part of it was the ethos and the desire of the Canadian athletes to be the best in the world, but a lot of it was the guiding hand of Cathy Priestner, who was hired to consult the Canadian Olympic Committee, and is really the mother of Own the Podium. She said, ‘Look, we can’t spread the peanut butter any more. If we’re going to have global success, then we need to concentrate resources on the athletes in the sports where we have the probability, not the possibility, of success.’

I think that analogy applies to owning the podium for innovation. We’re a country of almost 40 million people on a planet of seven billion. We’re going to have to pick some strengths and really get behind them in a big way, and then shout it from the rooftops. Part of that is identifying those Canadian companies that have the probability to get to a billion in revenue and slapping the Maple Leaf on their back with a lot more intentionality, and making sure they have the support they need to have success. To put it another way, if we know who the athletes are, what’s the sport? For the tech community, what’s our hockey? I’ve got a lot of conviction around the fact that ethical, applied AI is our hockey, and we need to be all-in on it. It’s part of Canada’s brand from an innovation point of view, globally.

Thank you!

It was a difficult year, but in classic Communitech fashion, we pulled together to do the right thing. Communitech relies on a mix of public-private funding, so we have a lot of people to thank. We'd be here a long time if we named them all, so instead, we want to say a massive thank you to our member companies, sponsors, partners and investors. Also, thanks to the Government of Canada, the Province of Ontario and our local municipalities for their ongoing support.

Last year was a strange one, but it was a successful one. Thank you to everyone who helped see us through.

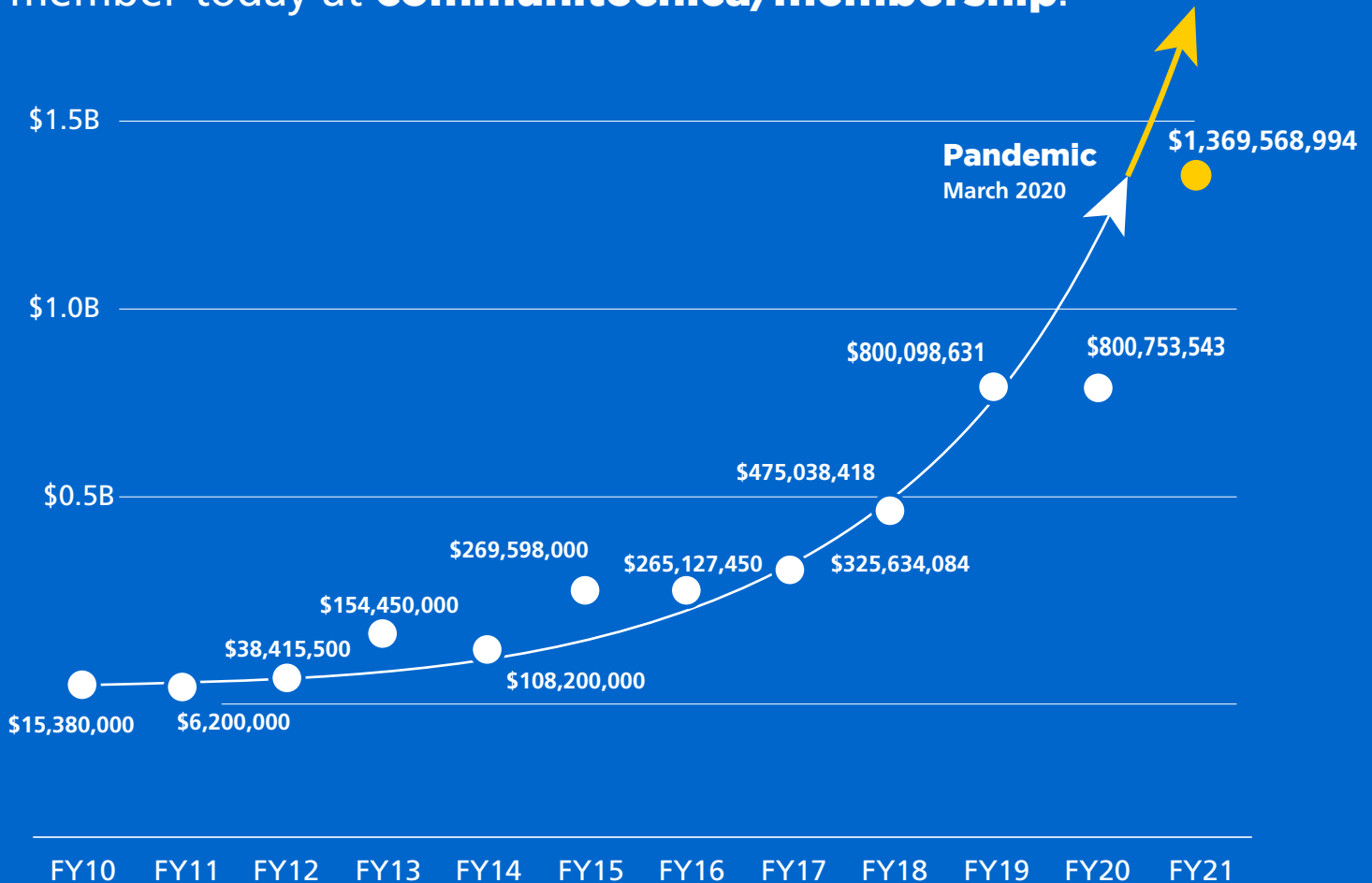




Pandemic, no problem.

In the first 30 days of Q1 FY22 Waterloo Region-based members raised upwards of **\$1.1B**.

Communitech members topped off a decade of growth with **3,725 new startups** and **\$4.6B capital raised**. Become a member today at communitech.ca/membership.



Venture capital raised by Communitech members