



Canadian Tech Report

2021 year in review

In-depth coverage of investment in the Canadian tech ecosystem

About us

Briefed.in started from a Waterloo Region community need in 2021 and has grown to cover all of Canada with the help of our partners and customers. We are the nation's only public, independent system of record dedicated to Canadian technology startups and venture capital.

Our Mission

To make timely insights available on the Canadian technology landscape while bringing awareness of these technology companies globally.

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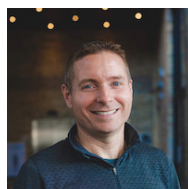
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Message from the CEO

2021 was an amazing year for Canadian tech companies with new records for total funding and deal volume. While in 2020 there was some concern in the low number of early stage investments, 2021 has seen a significant increase in early stage activity in Canada surpassing the highs in 2019 with the top three categories for investments in SaaS, FinTech and HealthTech.

We are seeing significantly more US investment firms involved in Canadian tech rounds. For the first time since 2019, the start of our data, US investment firms involved in Series A deals out numbered Canadian investment firms and continue to out number Canadian firms in B/C stages while matching in representation in Seed stage rounds.

It is an exciting time to be involved in Canadian technology! I hope you enjoy these insights!



Rob Darling
CEO
briefed.in

Looking back on 2021

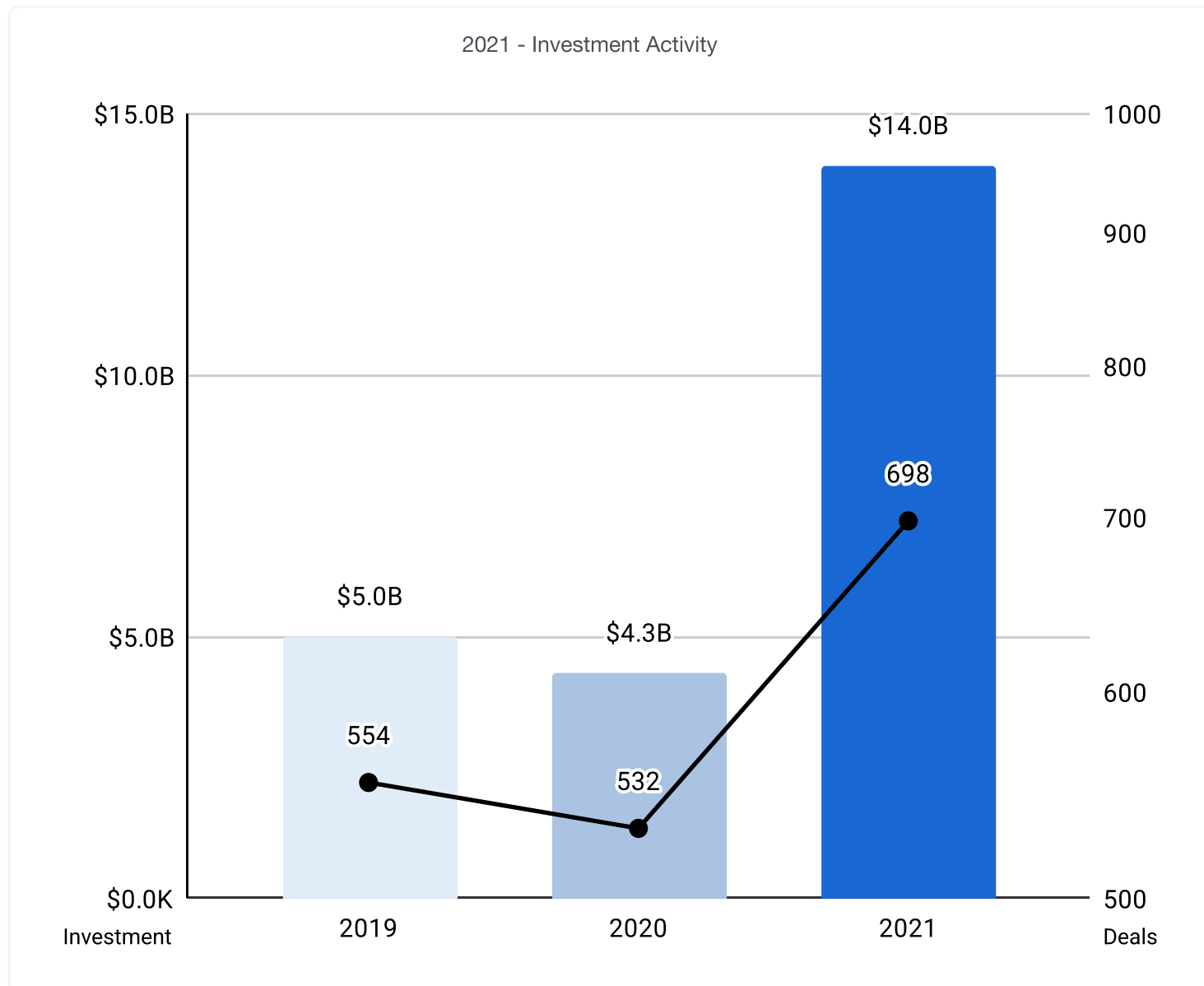
It was an amazing year for tech companies in Canada.

- Across Canadian tech we saw a 218% increase in total investment dollars and a 31% increase in deal volume.
- In BC there was a 316% increase in total investment dollars while Pre-Seed and Seed deals increased by 62% and 41% respectively.
- In Calgary there was a 62% increase in deals this year and the region also saw a 220% increase in Pre-Seed deals.
- In Montreal there was a 33% increase in total investment dollars and it continues to have a healthy balance of startups at all stages.
- In Toronto there was a 400% increase in total investment dollars and a 50% increase in deal volume. These numbers shattered all previous Canadian technology records.
- In Waterloo Region there was a 97% increase in total investment due to Applyboard and Faire megadeals and a 26% decline in total deals. There has been a 69% decline in Seed deals since 2019 and 71% of existing Seed stage companies have not moved to Series A in over 18 months, the highest rate across Canada.

Tech Investment Overview 2021

In 2021, across Canadian tech we saw a 218% increase in total investment dollars and a 31% increase in deal volume. This significant increase in the number of investments was across all stages from Pre-Seed through to Series G, showing that we have a balanced, growing technology sector.

In 2021, 61% of the total investment dollars were invested in 46 \$100M+ deals (6.59% of all deals). The \$1M-\$5M range had the majority of deals in 2021, with 202 deals (28.94% of all deals) and only 3.46% of total investment dollars.



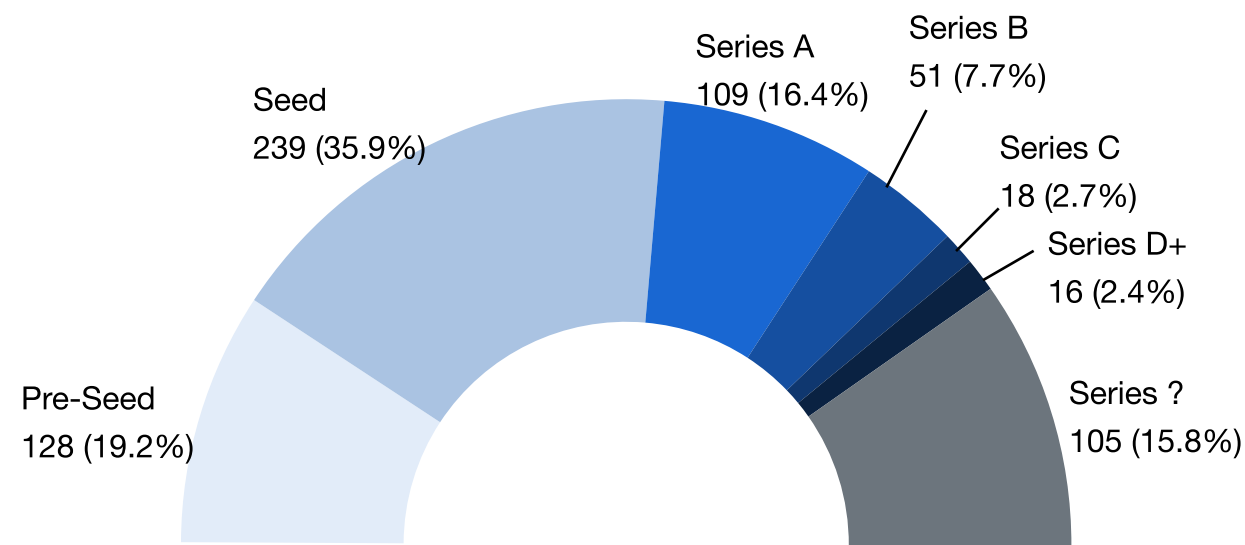
*There were 93 deals where the amount was not disclosed.

Tech Investment Stages 2021

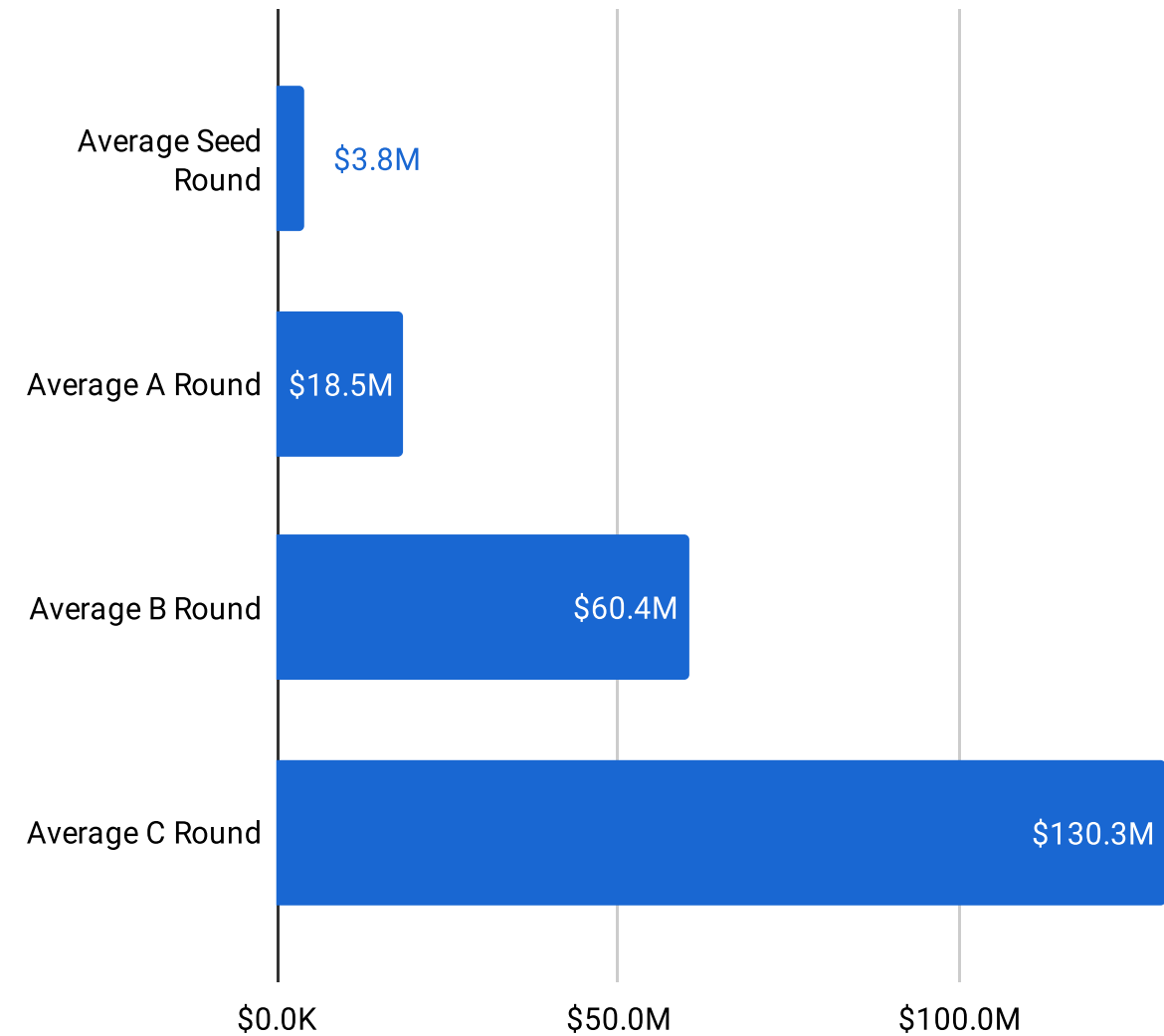
While we did see a dip in Seed stage deals in 2020, in 2021 they surpassed the high in 2019. In principle Pre-Seed deals should outnumber Seed deals but they are not always reported (except for programs like Y Combinator) and there are a significant number of companies who raise Seed as their first institutional round. We did see Pre-Seed recover in 2021 and surpass 2019 numbers.

In 2021, we saw a large increase in the average round sizes over 2020, the average investment size for Seed stage increased 65%, Series A increased 52%, Series B increased 115% and Series C increased 193%.

2021 - Activity by Stage



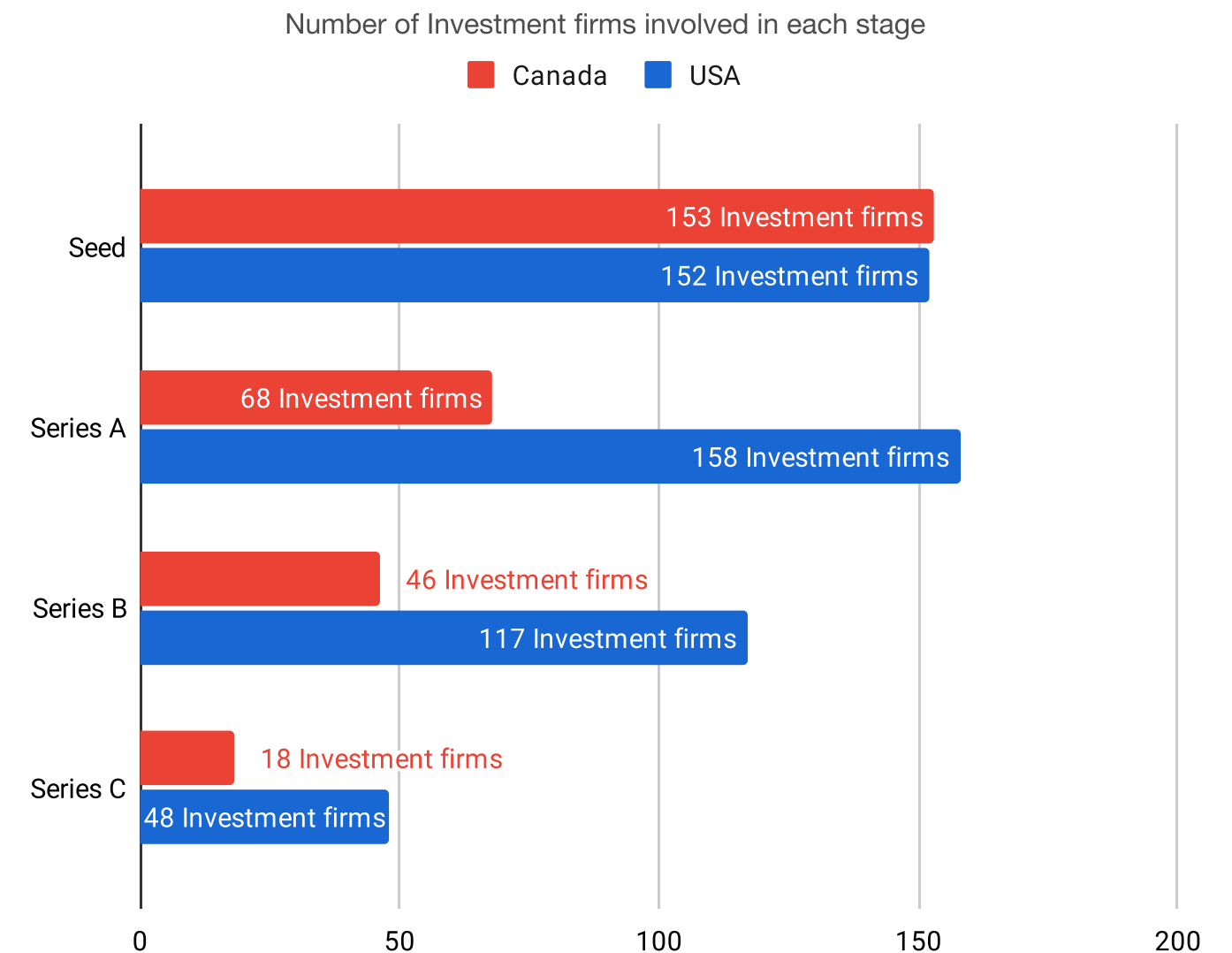
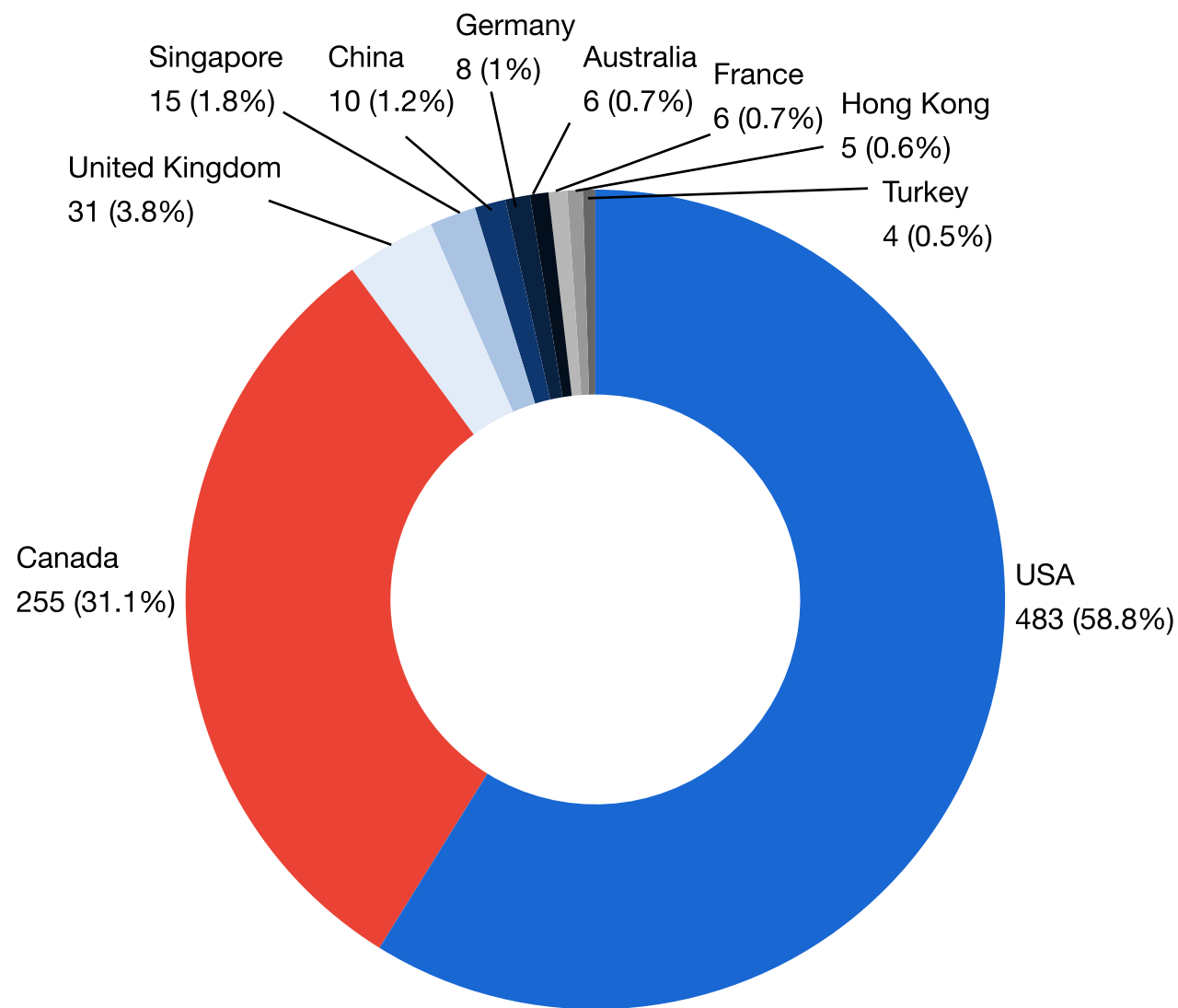
2021 - Average Investment by Stage



Investor Demographics & Activity 2021

In 2021, 58.8% of the investment firms involved in deals were from US, 31.1% from Canadian firms, 3.8% from UK firms and 1.8% from Singapore firms. When comparing with 2019 and 2020 Canadian firms involved in deals dropped by ~10% in 2021 whereas US investors involved in deals increased by ~10%.

In 2019 and 2020, Canadian investment firms always out numbered US firms involved in Series A deals, while US based firms always had more involvement in Series B/C deals. In 2021 this changed, US firms represent more than 2x the number of Canadian firms involved in Series A rounds and US firms continue to almost match Canadian firms in Seed rounds.



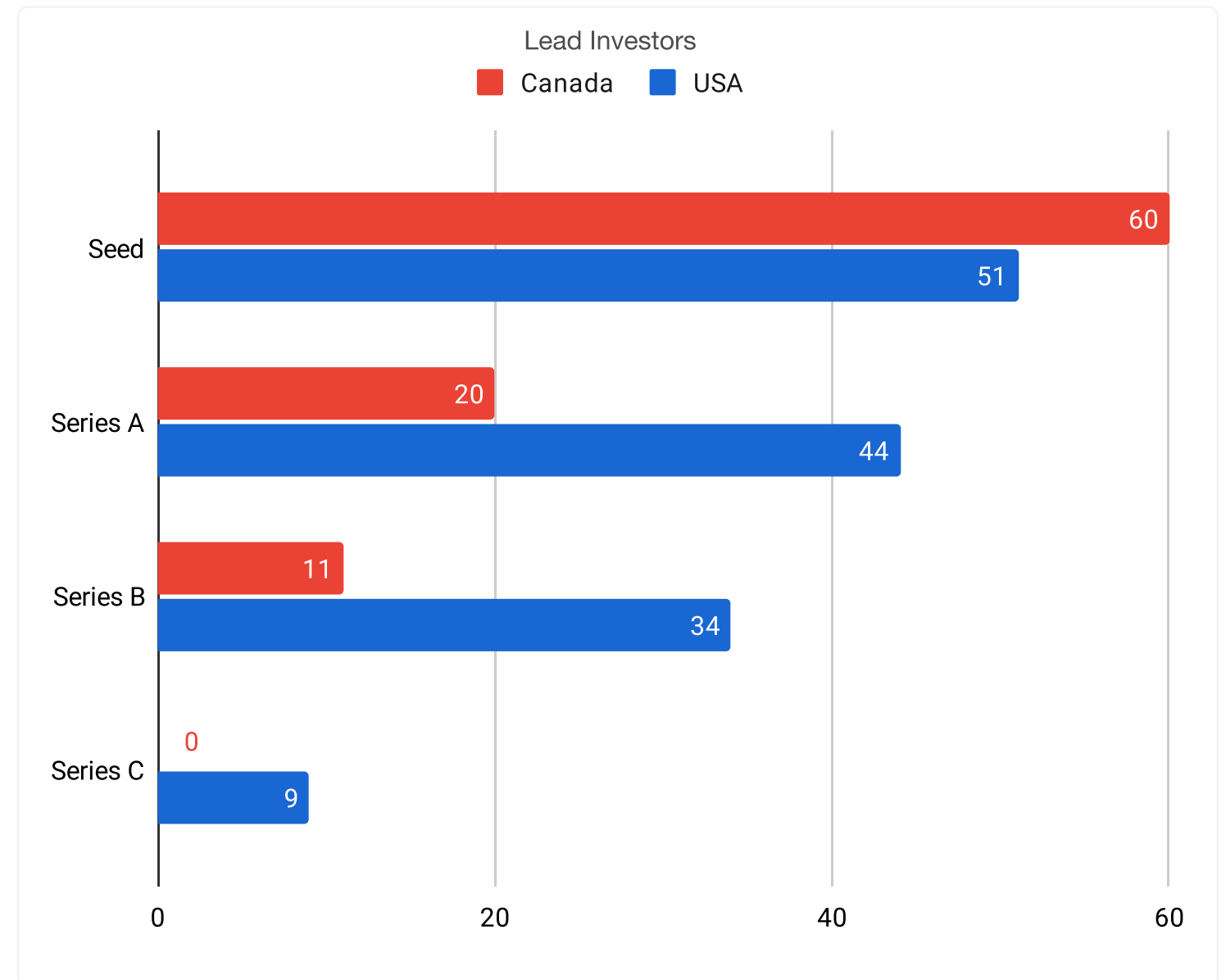
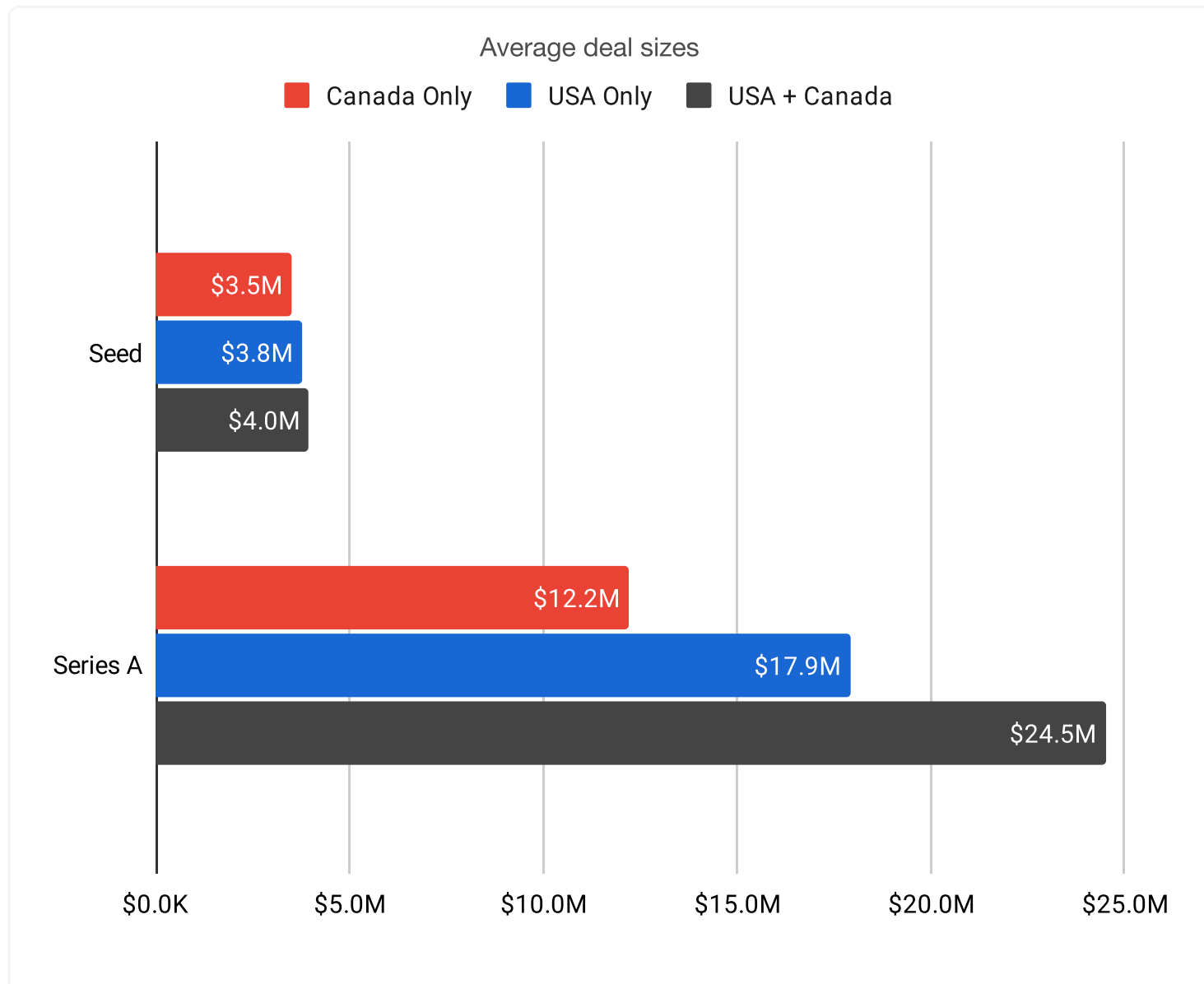
*Investment firms include Corporate, Crypto investment funds, VC, Angel Groups and Family Offices.

Investor Demographics & Activity 2021

When looking at investment sizes for Seed and Series A deals in 2021 where USA firms are involved we found that:

- The average Seed deal size was \$268K - \$452K more.
- The average Series A deal size was \$5.6M - \$12.3M more.

When looking at the lead investors for investments in Canadian tech companies, Seed stage is the only stage where there are more Canadian firms that lead compared to US firms. In 2019 and 2020, Canadian investors leading rounds were close to same number as their US counterparts, but in 2021 this has changed with US firms leading more than 2x as many Series A and Series B rounds.

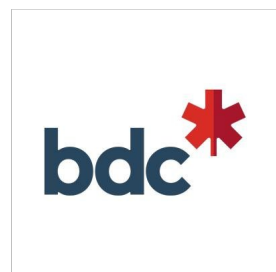


*Note: There may be some instances where a Canadian or US investor is missing from a deal. There can be multiple lead investors per deal.

Most Active Investors & Top Deals 2021

For Canadian tech investments in 2021, the 10 most active investors were BDC Capital, Golden Ventures, Y Combinator, Techstars, Garage Capital, Inovia Capital, Panache Ventures, Real Ventures, Global Founders Capital and N49P.

For Canadian tech investments in 2021, the 10 largest deals were in Marketplace, FinTech, Blockchain and SaaS companies from Waterloo Region, British Columbia and Toronto. Dapper Labs raised two funding rounds in 2021.



BDC Capital



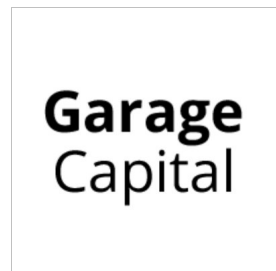
Golden Ventures



Y Combinator



Techstars



Garage Capital



Inovia Capital



Panache Ventures



Real Ventures

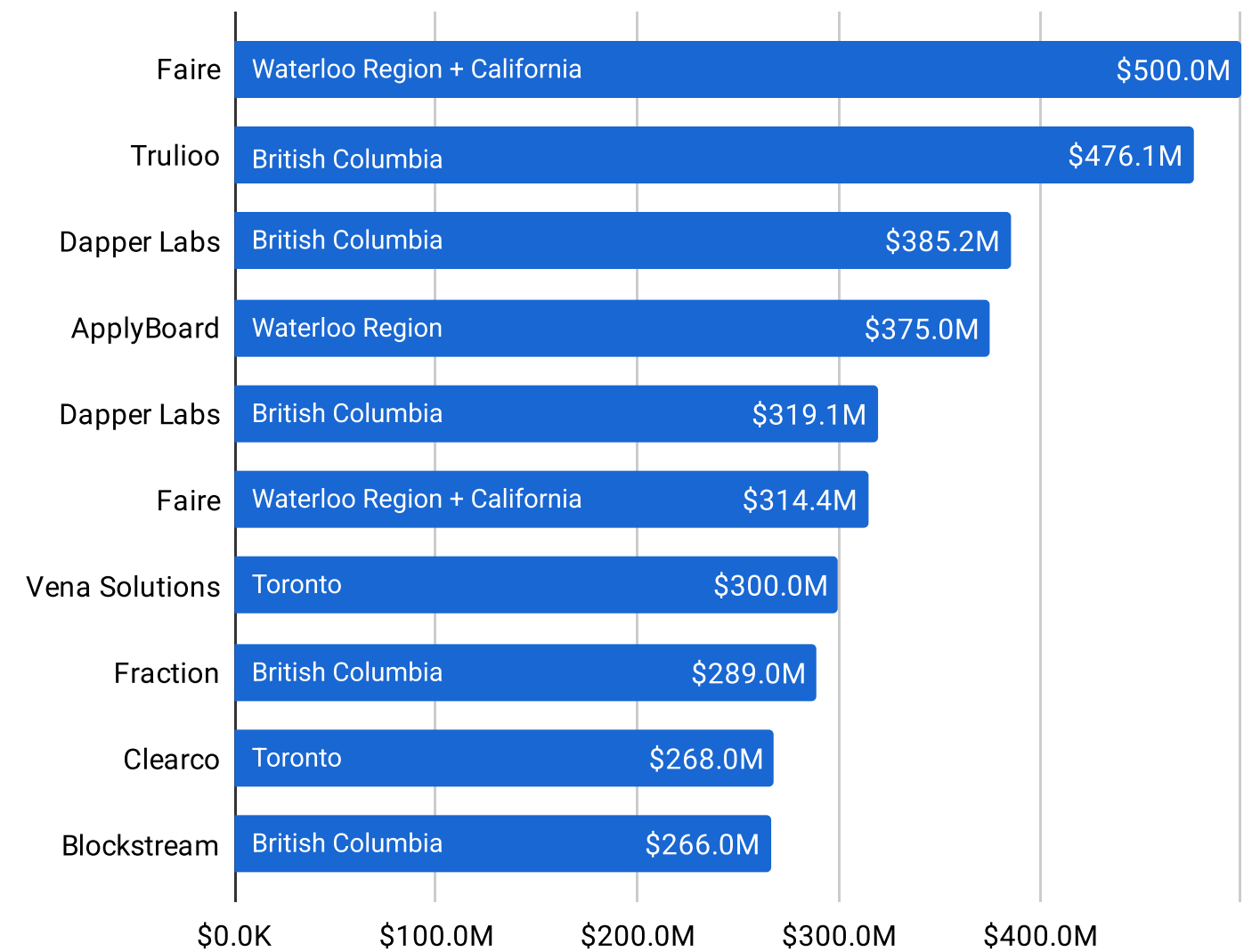


Global Founders Capital



N49P

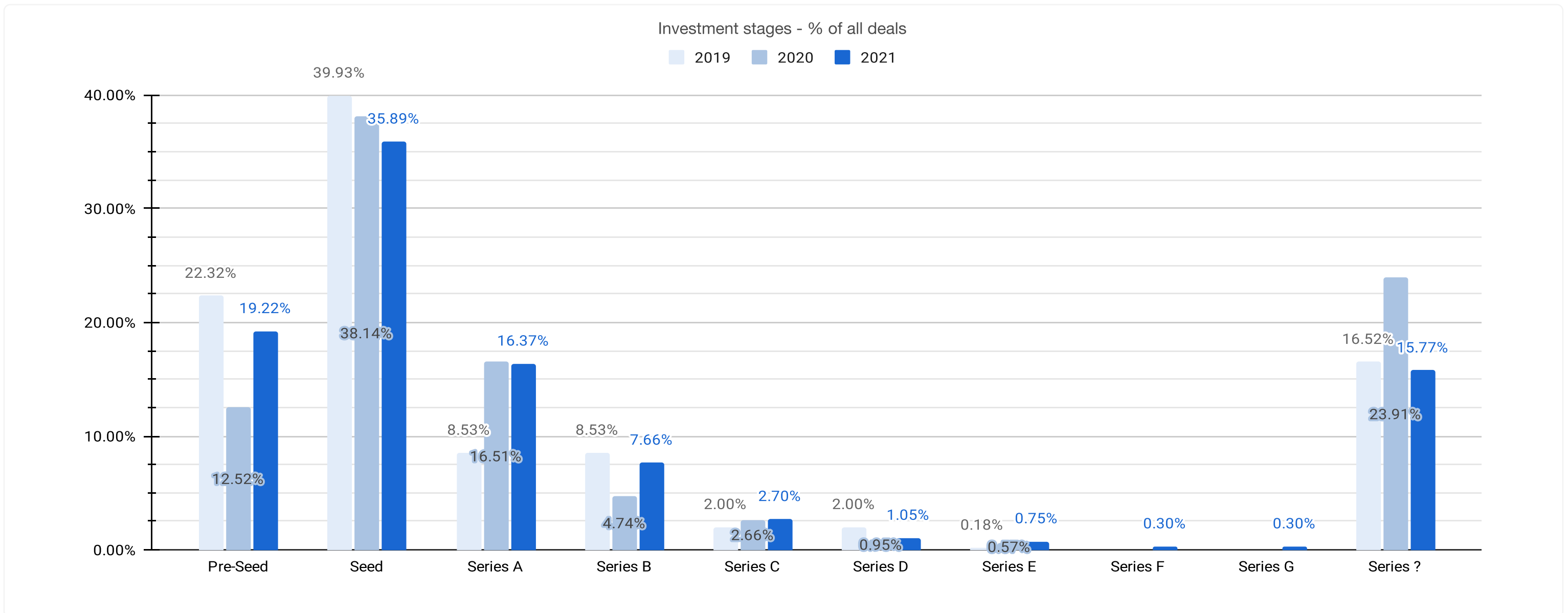
Top deals in 2021



*Note: As per our methodology, we track Canadian tech deals and we use the announced date for deals.

Analysis - Deals by Stage - Canada

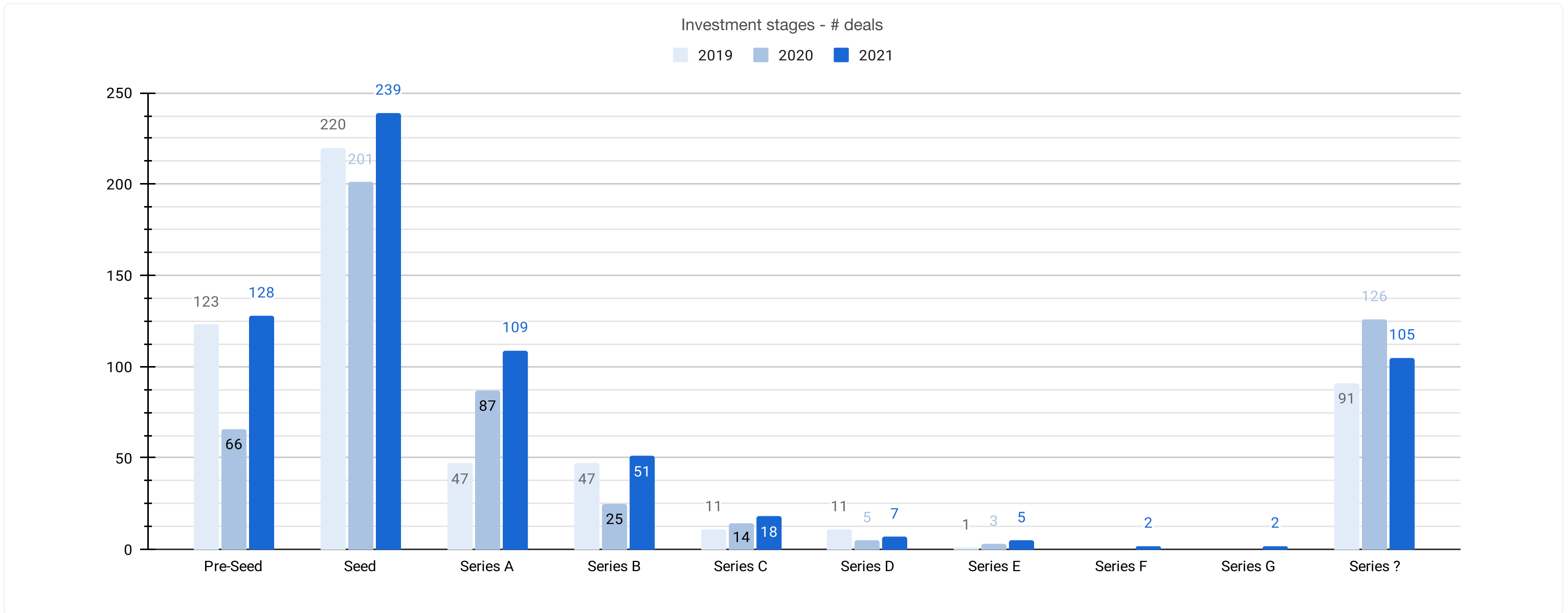
In 2021, 19.2% of all deals were Pre-Seed, 35.9% Seed, 16.4% Series A, 7.6% Series B, and 2.7% Series C. While the percentage of deals looks to be close to previous years, we do notice that Pre-Seed as well as Series B rebounded in 2021 to near 2019 levels. We also see that Seed stage deals as a percentage of all deals is the only stage that has a downward trend each year since 2019. While this is a small decline, as a percentage of all deals, this can be a reflection of Canada's growth in later stage companies who are attracting investment.



Analysis - Deals by Stage - Canada

In 2021, we saw the total number of deals were up from 2020, with the following increases for Seed to Series C:

- Seed 19%
- Series A 25%
- Series B 104%
- Series C 29%

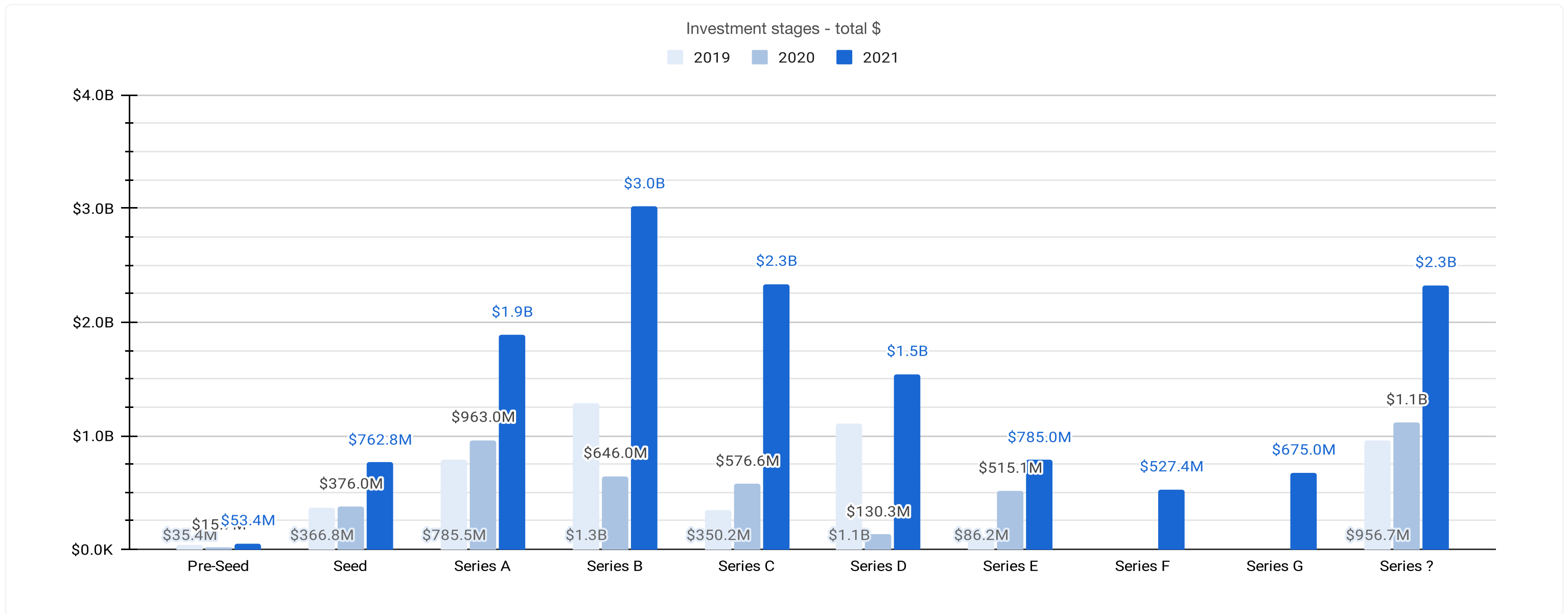


*Categories are based on the primary category in briefed.in.

Analysis - Investment by Stage - Canada

In 2021, the total amount invested across all stages was up significantly from 2020, with the following increases for Seed to Series C:

- Seed 103%
- Series A 90%
- Series B 367%
- Series C 305%

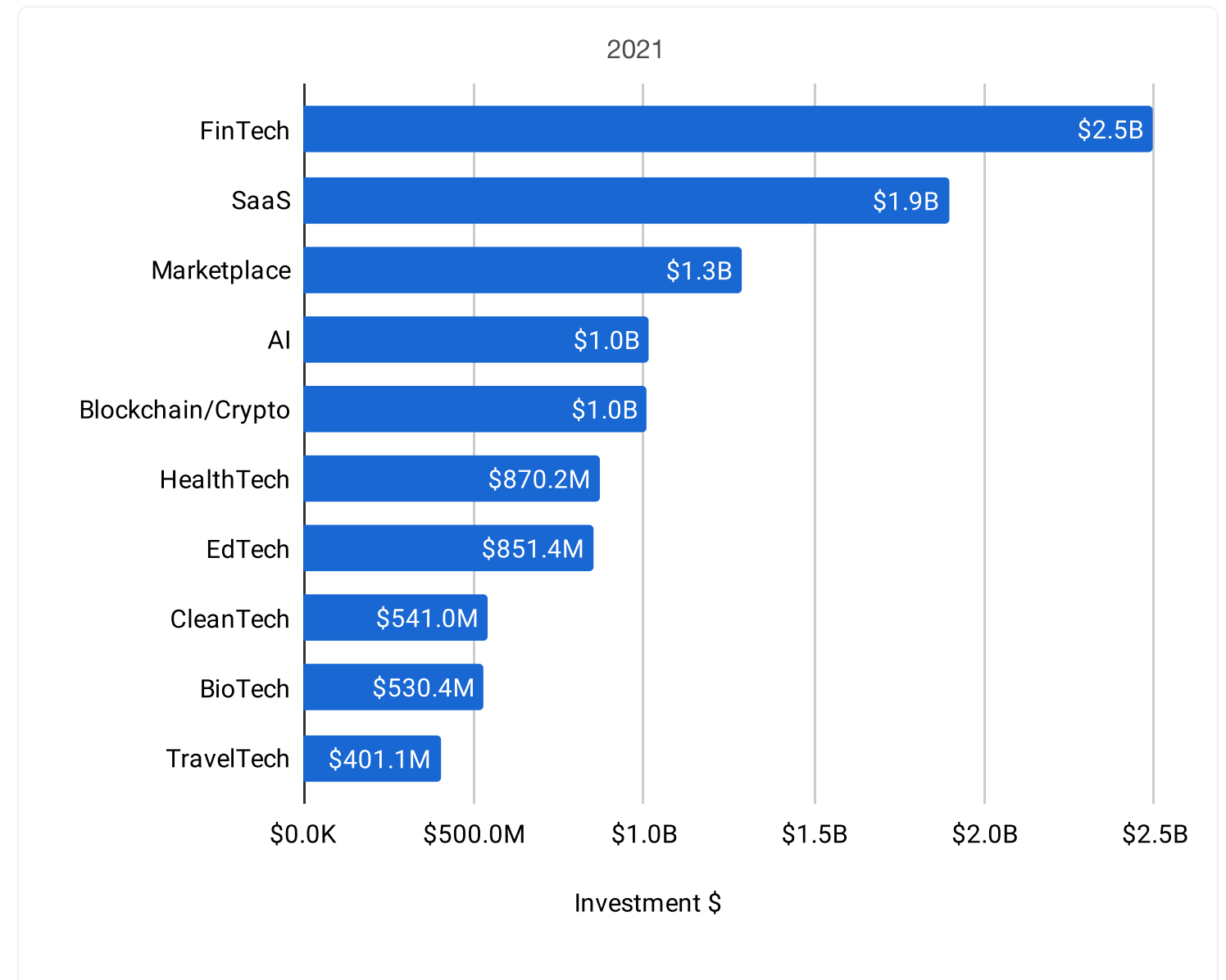
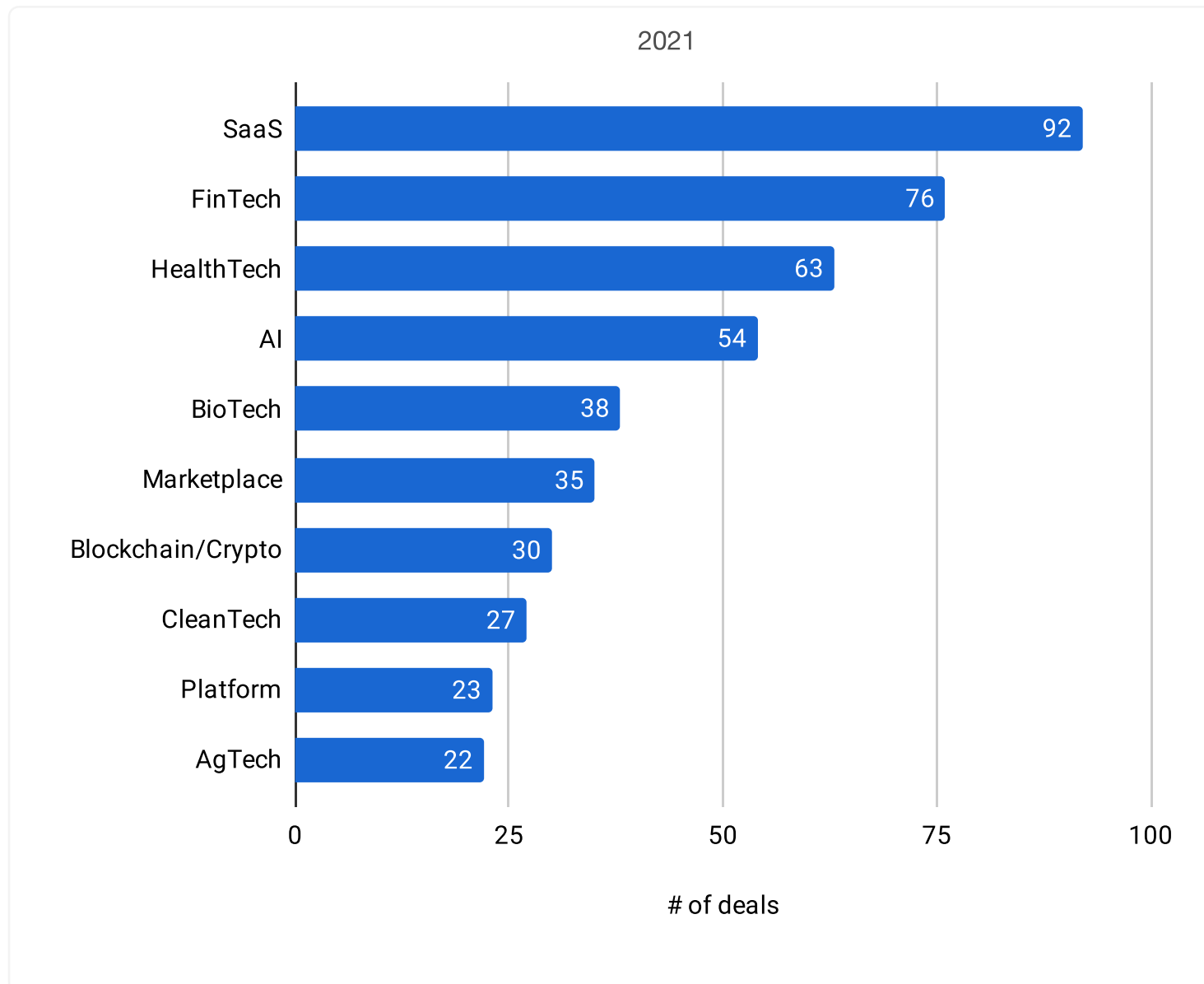


*Categories are based on the primary category in briefed.in.

Top 10 Investment Categories - Canada

In 2021, both SaaS and FinTech deal numbers increased significantly over 2020. We saw a 57% increase in SaaS deals and a 77% increase in FinTech deals. While HealthTech dropped two places it did maintain the same number of deals as 2020. AI saw a large increase of 135%, while BioTech had a 22% decrease in deals. The largest increase over 2020 was Blockchain/Crypto which increased 650%.

In 2021, both SaaS and FinTech investment increased significantly over 2020. We saw a 462% increase in SaaS investment and 542% increase in FinTech investment. While HealthTech dropped three places overall, it had an increase of 87%, while BioTech had a 1% increase in total investment. The largest increase over 2020 was Blockchain/Crypto which went up 5058%.



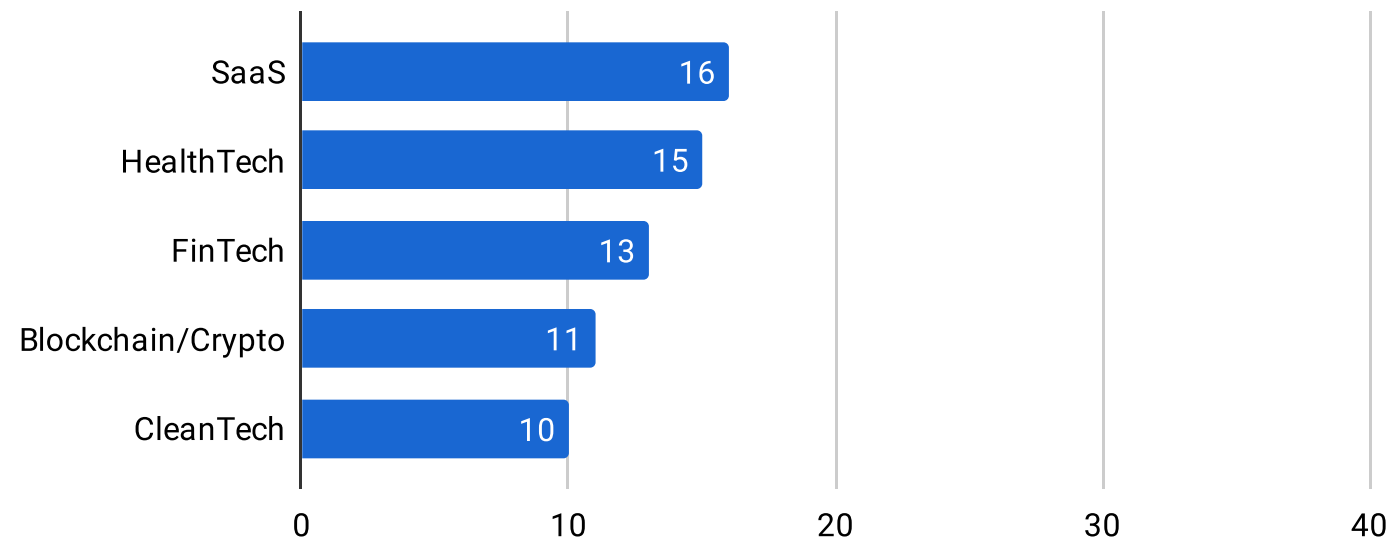
*Categories are based on the primary category in briefed.in.

Top 5 Investment Categories - Region

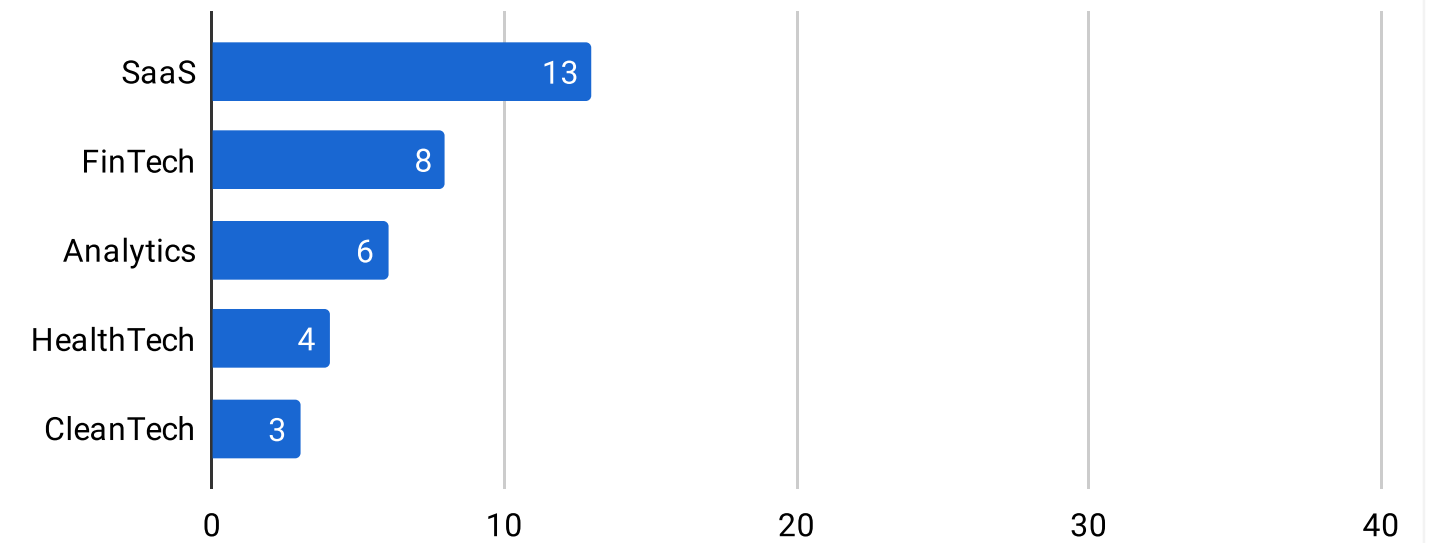
In BC the top 5 categories for deals in 2021 were SaaS, HealthTech, FinTech, Blockchain/Crypto, and CleanTech. While FinTech and Blockchain/Crypto were third and fourth in total deals, they attracted the largest total investment.

In Calgary the top 5 categories for deals were SaaS, FinTech, Analytics, HealthTech, and CleanTech. While CleanTech was fifth in total deals it was second in total funding.

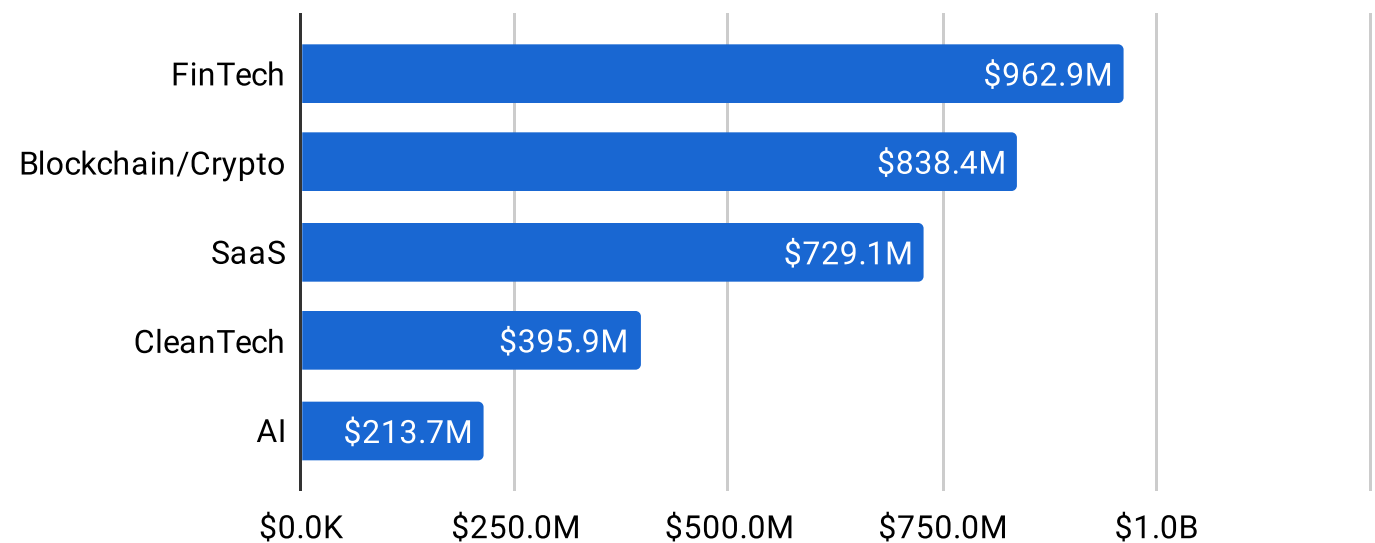
BC - Top 5 categories by # of deals



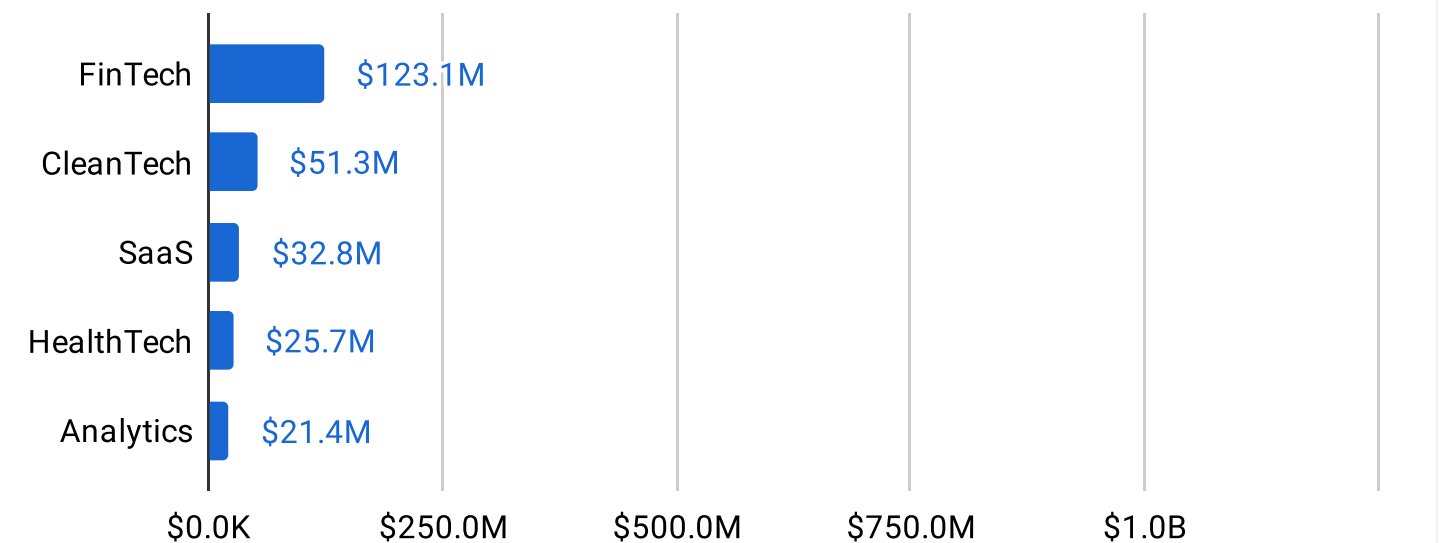
Calgary - Top 5 categories by # of deals



BC - Top 5 categories by \$ invested



Calgary - Top 5 categories by \$ invested



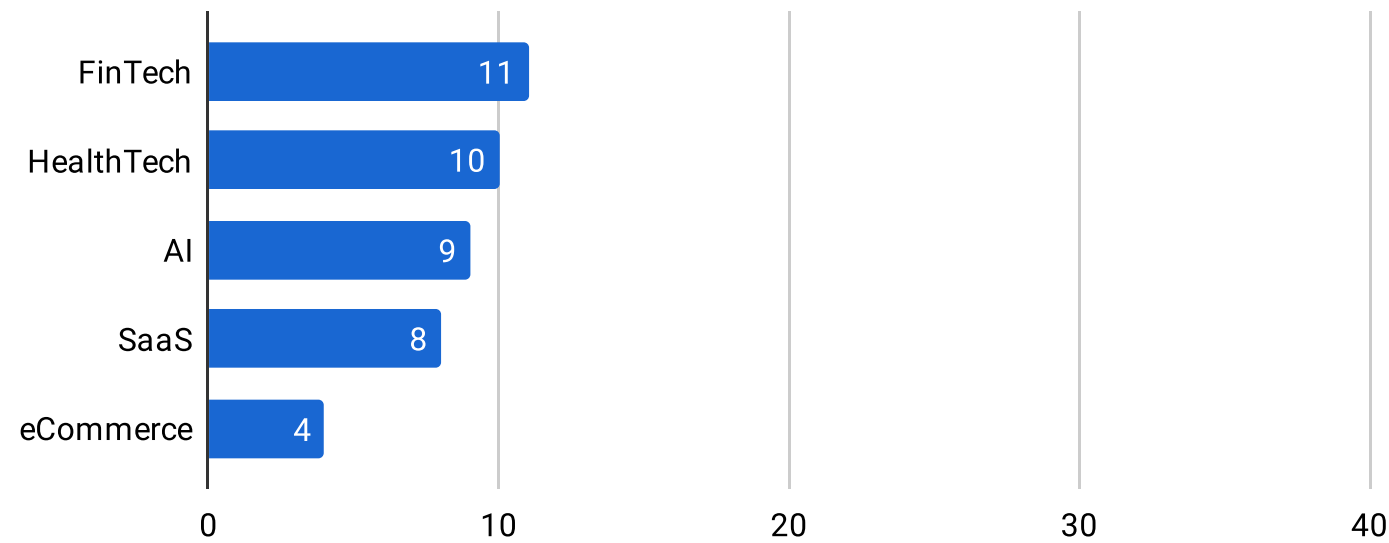
*Categories are based on the primary category in briefed.in.

Top 5 Investment Categories - Region

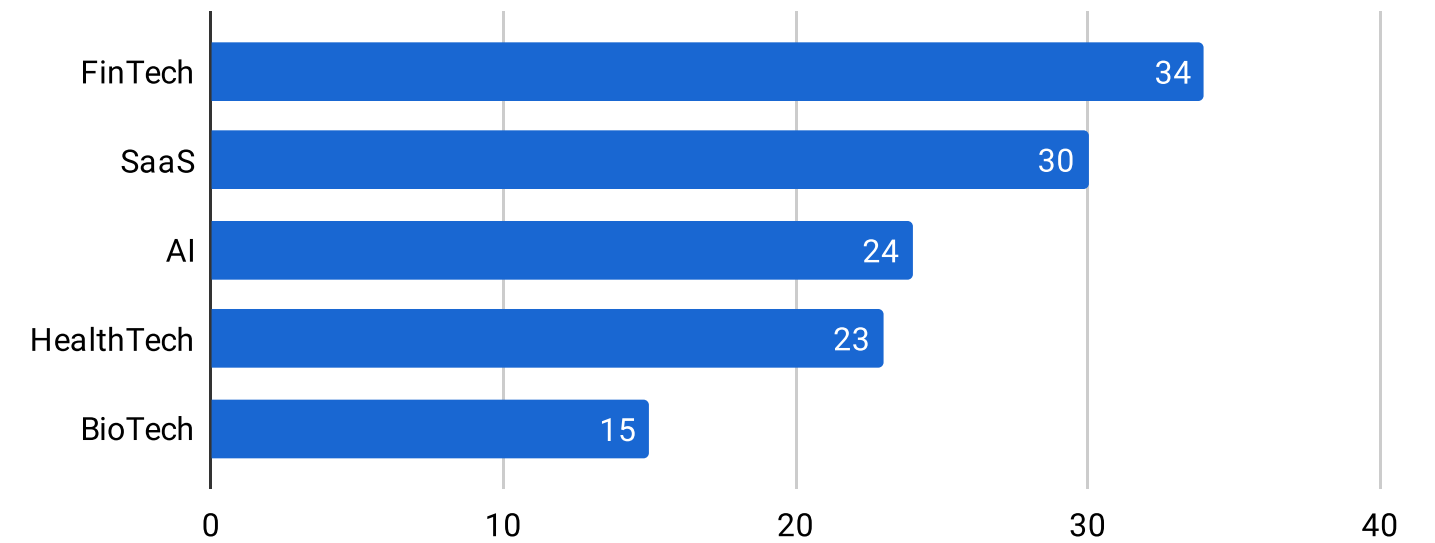
In Montreal the top 5 categories for deals were FinTech, HealthTech, AI, SaaS, and eCommerce. While TravelTech did not make the top 5 in number of deals, it did attract the most amount of funding due to Hopper's Series F and G rounds.

In Toronto the top 5 categories for deals were FinTech, SaaS, AI, HealthTech, and BioTech. While EdTech did not make the top 5 in deals, it did attract more investment than HealthTech through investments in Prodigy, Top Hat and Disco.

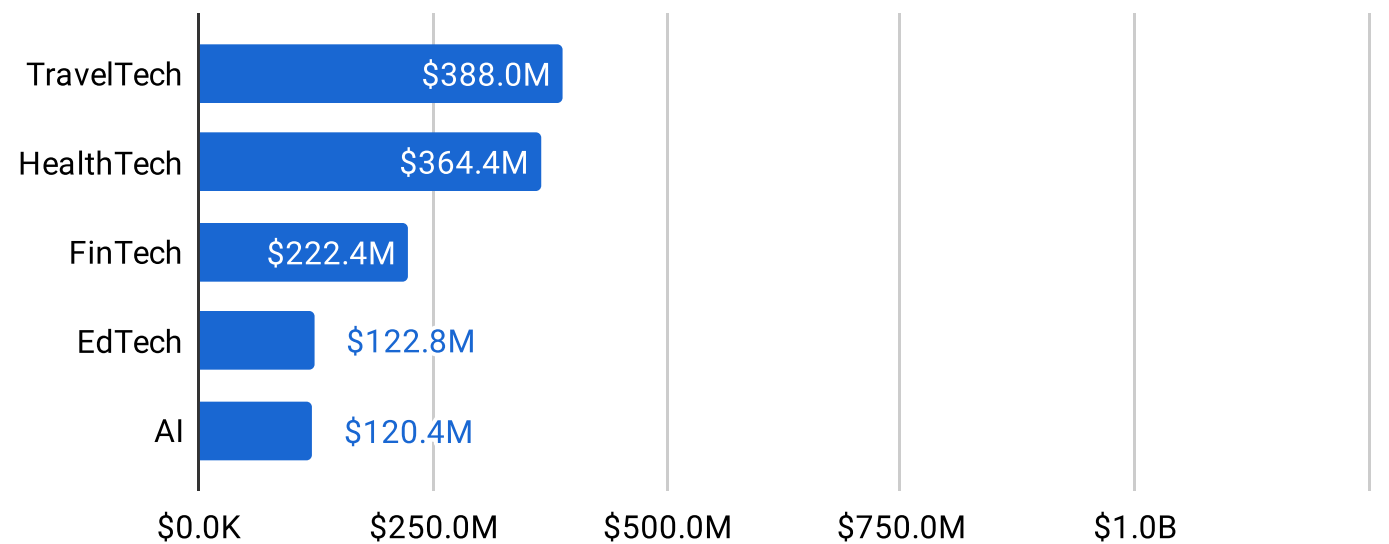
Montreal - Top 5 categories by # of deals



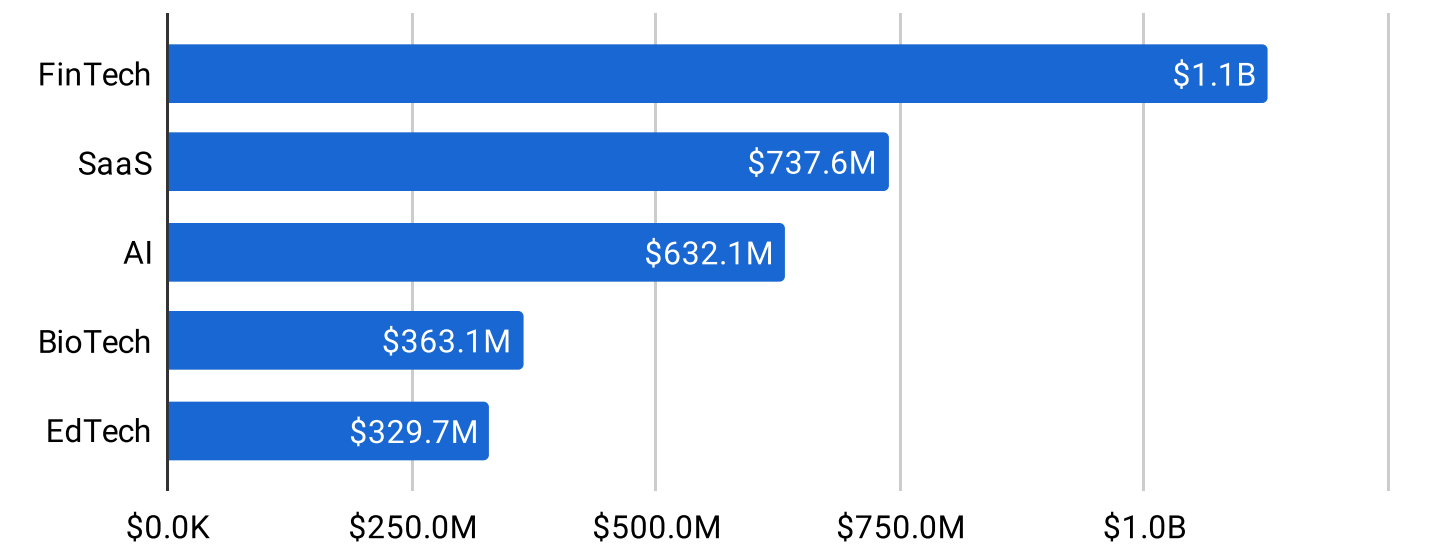
Toronto - Top 5 categories by # of deals



Montreal - Top 5 categories by \$ invested



Toronto - Top 5 categories by \$ invested



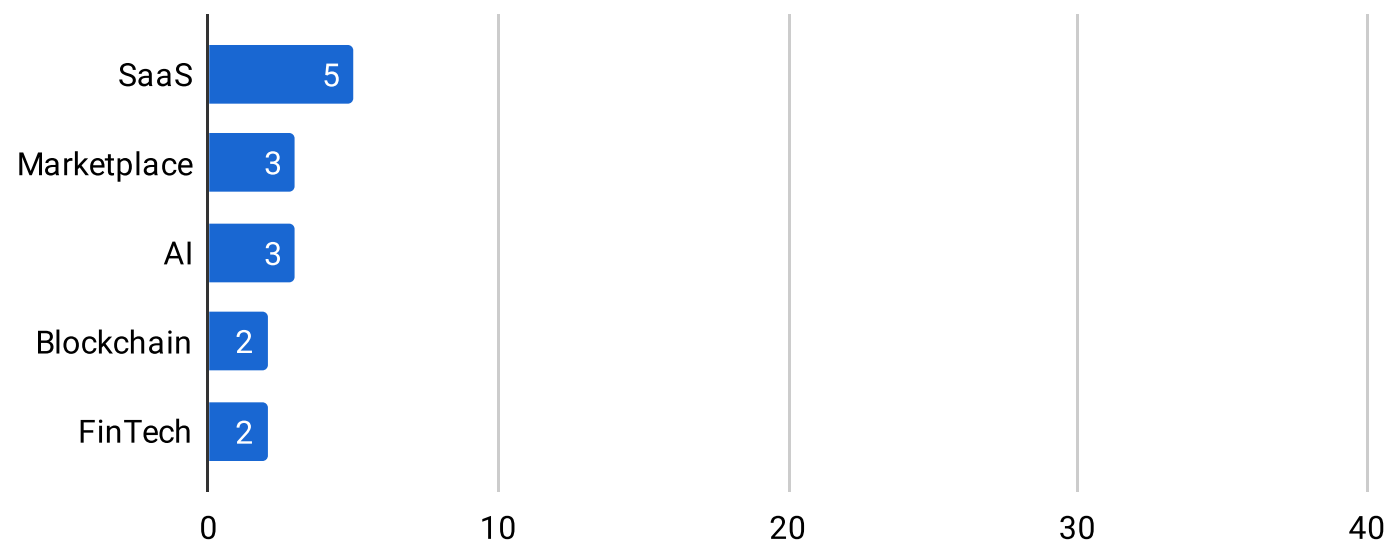
*Categories are based on the primary category in briefed.in.

Top 5 Investment Categories - Region

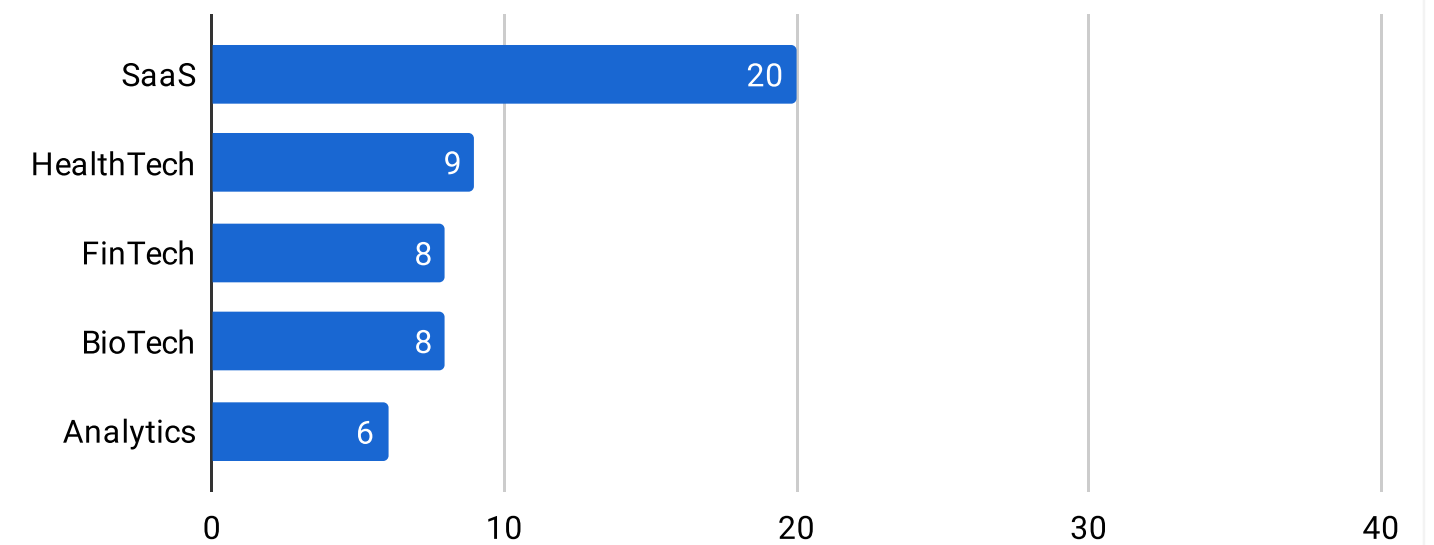
In Waterloo Region the top 5 categories for deals were SaaS, Marketplace, AI, Blockchain, and FinTech. Marketplace and EdTech ranked first and second in total investment from the investments in Faire (dual-headquartered) and Applyboard.

In other* regions across Canada - the top 5 categories for deals were SaaS, HealthTech, FinTech, BioTech, and Analytics. While Marketplace did not make the top 5 in number of deals, it did attract the second most in funding.

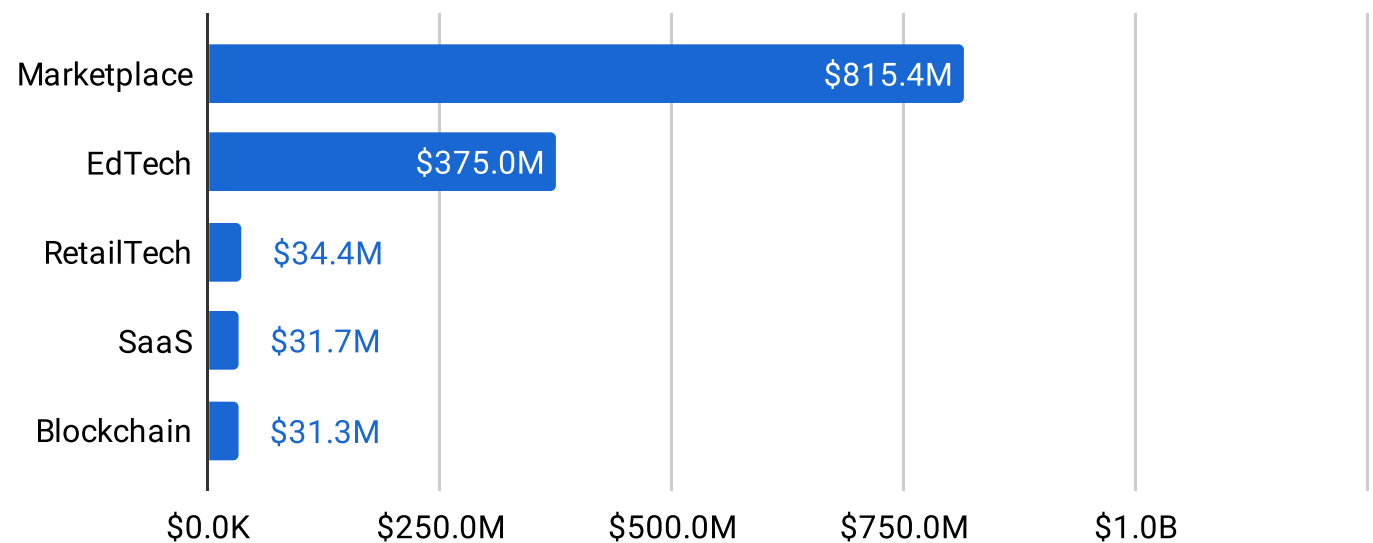
Waterloo Region - Top 5 categories by # of deals



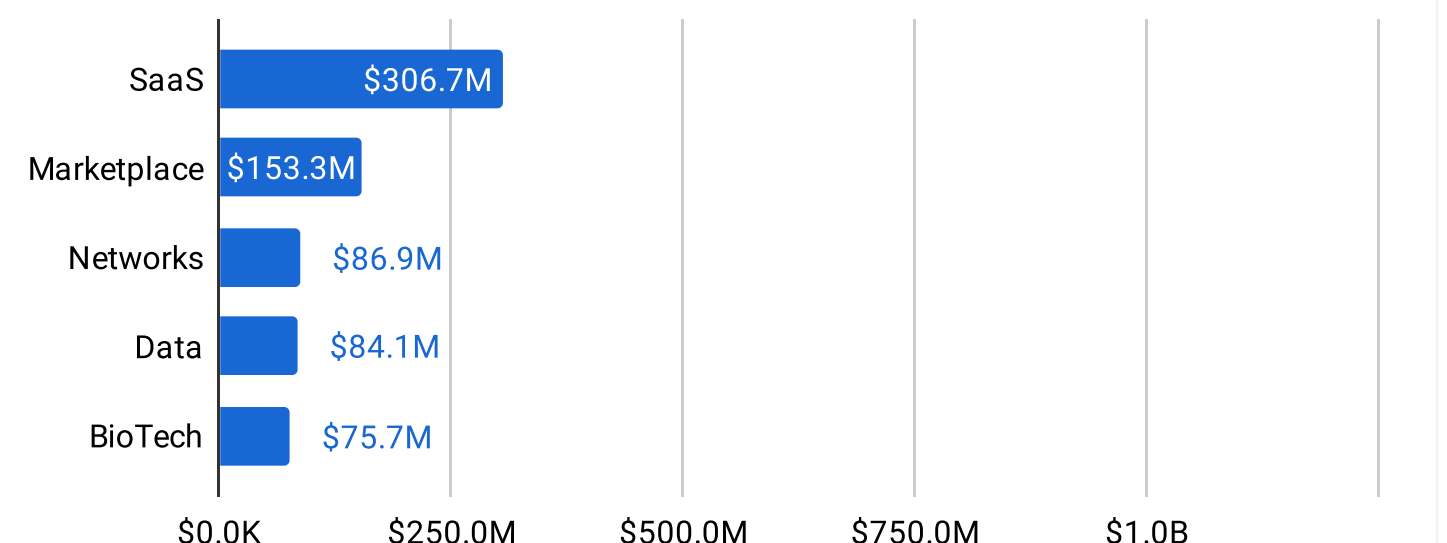
Other - Top 5 categories by # of deals



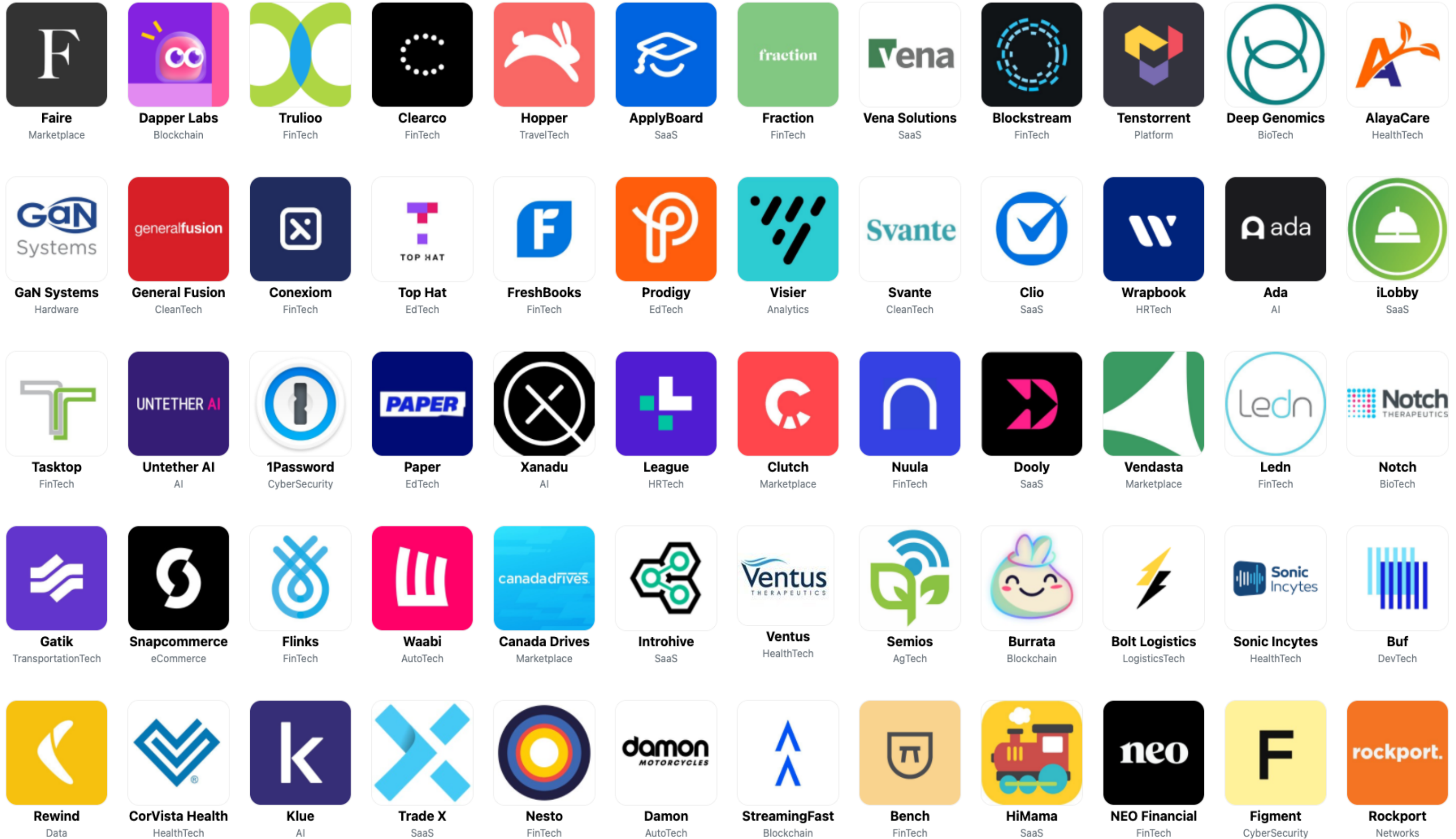
Waterloo Region - Top 5 categories by \$ invested

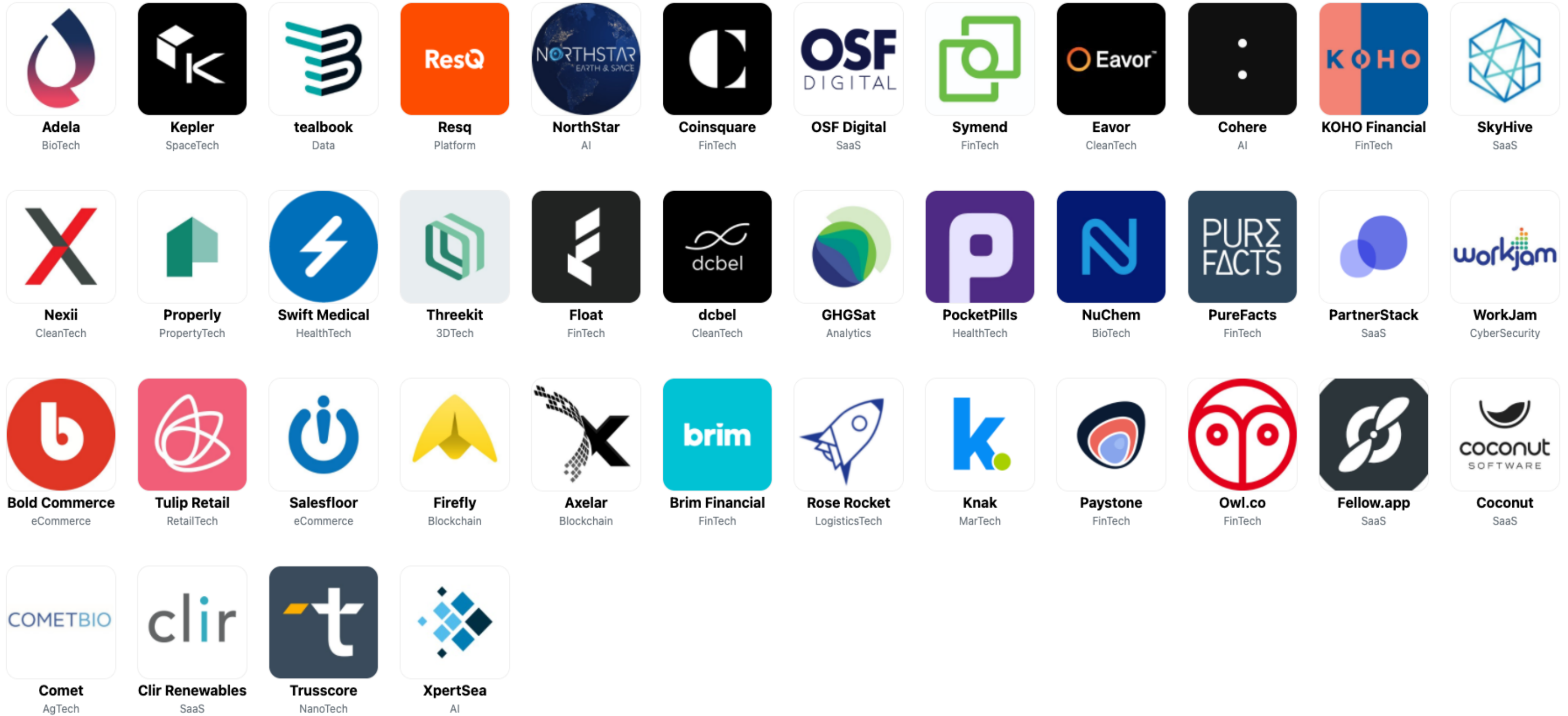


Other - Top 5 categories by \$ invested



*Categories are based on the primary category in briefed.in. "Other" includes locations like East Coast, Ottawa, Quebec (not Montreal), Alberta (not Calgary), Saskatchewan.





Partners & Customers

Thanks to our partners and customers! Your support makes it possible for us to deliver timely insights while bringing awareness of Canadian technology companies globally.



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Methodology

Tech Company Definition

We track deals for companies that are building Technology or Science/Medical products (eg. FinTech, BioTech, SaaS, MedTech, Hardware, NanoTech, AgTech, CleanTech). We do not track deals for online brands, DTC companies, retail companies selling online, traditional oil and gas companies, consulting agencies, mining companies, etc.

Canadian Company Definition

We classify a Canadian tech company as one that is Headquartered in Canada OR is dual-headquartered in Canada and one other location OR was founded in Canada by Canadian citizens and has a significant presence in Canada.

Dates & Currency

We use the publicly announced date or the date when we get confirmation from the founder that the deal occurred. We convert all USD amounts to Canadian dollars.

Investment Categories

The primary category (eg. SaaS, FinTech) is based on the primary offering of the company, while we do have a secondary category and other classification tags we focused on primary category for this report.

Data Differences

We are Canada's only public, independent system of record dedicated to Canadian technology startups and venture capital. Our numbers may be different than other reports because we have a much more strict definition of a tech company, more accurate information on the city location of the company, we use the announced date, and we classify Canadian companies in a way that aligns more with the ethos of the tech ecosystems in Canada. You should note that no system has 100% of the data, and insights from any platform should be used as a barometer, not as an exact measure.

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