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Message from the board

The past year was challenging for tech communities everywhere. Emerging from a global pandemic, companies around the world struggled to adapt to new ways of working, a pull-back in capital investment, inflation, rising interest rates, global security concerns and a talent market that remained competitive even in the midst of layoffs.

But with adversity comes opportunity. As I reflect on the past year, I am deeply impressed by the many founders who came up with innovative ways to adapt, evolve and embrace the huge opportunities that, as members of the Canadian tech community, lie before us.

I am equally impressed with Communitech's ability to roll with the economic punches and stay laser focused on our core mission: to help Canadian tech founders start, grow and succeed.

Let me share a few examples: Our Growth Coaches, Pro Squad partners and founder support staff continued to provide excellent advice and mentorship to founders; the Outposts team made it easier than ever for employers to hire talent in international markets; the integrated markets initiative facilitated productive connections between innovators and municipalities and health-care leaders; we launched a new iteration of our OVIN-backed autonomous vehicle and mobility technologies program; our talent knowledge and ideas helped government improve policy in areas like immigration; the business development staff secured new partnerships and new program revenue; and the building tenancy team did an amazing job of providing founders with flexible new options for renting space in the Communitech Hub®.

This past year also saw a welcome return to more in-person activities, filling the Hub with a renewed sense of excitement and vitality. By re-launching Founder Breakfasts, Startup Socials, Techtoberfest and more, we are once again fully embracing our superpower – connecting people and convening meaningful collaborations.

Looking forward, the coming year will be filled with even more exciting opportunities to support founders. In FY24, Communitech will be rolling out the ElevateIP program, the Good AI collaboration, integrated-market showcases involving health, cities and national security, and on-going programs such as Fierce Founders, Growth Coaching and Peer2Peer groups.

None of this can happen without support from a wide range of dedicated people and organizations.

I want to thank our many partners in both the public and private sectors, along with my colleagues on the Board, CEO and President Chris Albinson and the entire Communitech team. Most of all, I want to express my thanks and admiration for our founders, whose vision and determination generates prosperity for all of Canada.

– **Catherine Graham**, Board Chair

**NORTH STAR**

We help create prosperity for our community and for Canada.

True North Strategy 2021 – 2030

In FY23, with the True North Strategy as our guide, we continued to build and fine-tune programs and services to help founders at every stage – startup, scale-up and at-scale. This work was shaped by the need to adapt to a post-pandemic world in which the needs and priorities of founders and their teams have evolved.

Unveiled in 2021, Communitech's True North Strategy ensures we're always working to meet the most pressing and current challenges of founders and their teams by:

- Reorienting programming and services to better serve founders at all stages of their journey.
- Using objective data to identify Canada's top-performing tech firms, to help build 14 more billion-dollar-revenue companies by 2030, and to solidify Canada's position as the largest tech ecosystem in North America.
- Leveraging trust as Canada's competitive advantage, helping founders who have a Tech for Good® focus to grow profitable companies in fields where trust is critical, such as applied, ethical AI, health care, fintech, cybersecurity, sustainability and smart cities.
- Connecting founders to one another and to trusted partners who share their commitment to Tech For Good® and can help supercharge their path to revenue.

**MISSION**

Communitech helps founders start, grow and succeed.

**VALUES**

Colour outside the lines
Get S#!T done together
Do the right thing
Be a champion
Go for the gusto!

**STRATEGIC PRIORITIES**

Talent
Capital
Markets
Community of tech
Operational excellence



Talent

In a post-pandemic world – a new era of hiring where proximity is optional – **helping founders attract and retain talent** has become increasingly important.

National job board

Communitech's national job board (workintech.ca) puts homegrown tech companies on a global hiring stage. In FY23, workintech.ca saw 69,644 new jobs posted and 36,928 company profile views.

The Help List

The Help List was launched at the onset of the COVID-19 pandemic to help displaced talent land on their feet in Canada's community of tech. In FY23, the list ranged from 200 to 600 individuals actively seeking work.

In Q4, Communitech received funding from the Skills Development Fund under the Ontario Ministry of Labour, Immigration, Training and Skills Development to make improvements to the Help List, set to launch in FY24.

Talent events

Communitech hosted a Collaborative Security Challenge with founder companies Agilicus, eSentire and Magnet Forensics, which collaborated with cybersecurity professionals and other technical experts.

We also partnered with Inclusive Innovations to pilot a new course – Inclusive Design for Hiring – which aims to dispel misconceptions about hiring people with disabilities and keep inclusivity top of mind as employers.

eIMPACT Data Dashboards

Communitech partnered with the Technology Councils of North America (TECNA) and Canada's Tech Network™ (CTN) to release a set of online, interactive data dashboards on the migration trends of Canadian tech talent over the past year. Analysis was conducted in FY23 and data was released in FY24, providing CTN Hubs with valuable information on movement in their regions.

Dynamic Advisory Board

Established in FY22, our talent Dynamic Advisory Board (DAB) is made up of HR and recruitment leaders from scaling organizations. The DAB meets to discuss talent trends and Communitech programming. Meetings in FY23 covered learning and development, and talent attraction trends post-pandemic.

Communitech Outposts

Our employer of record service helps Canadian companies easily hire abroad. In FY23, Outposts was used by 49 founders to hire from 17 countries. The year concluded with 127 active employees (March 31, 2023).



Capital

Communitech helps founders at all stages access capital and growth financing.

From investment-readiness coaching to direct connections to capital providers, our services help them prepare for, identify and secure the funding they need to build great companies.

Connections to investors

As part of Techtoberfest 2022, more than 45 investors attended a pitch session with founders, then took the opportunity to go deeper with one-on-one meetings.

VC Office Hours provided select founders the opportunity to meet with capital providers and receive feedback via PitchScore.

For those not quite ready to meet with investors, Communitech helped them get to investment readiness through coaching and by identifying which grants, funds and loans make sense for their business.

Custom PitchBook reports provided founders with information such as VC lists, deal data and competitor funding history.

Team True North™

Modelled on Canada's Own the Podium Olympics strategy, Team True North aims to help at least 14 high-performing Canadian tech companies achieve \$1 billion in annual revenue by 2030. The initial roster of 35 companies was unveiled in June 2022 as part of TMX Investor Day. Another 26 companies joined the team in October 2022.

True North Fund

In FY23, we continued to work toward the first close of the True North Fund, which aims to be the largest venture capital fund ever raised exclusively by Canadians, for Canadians, with a focus on helping our founders become world leaders.

FY23 Capital program summary

73 companies participated in Investment Readiness sessions

60 companies participated in PitchBook-as-a-Service

65 companies used PitchScore-as-a-service

631 introductions facilitated between startups and investors

120 founder-to-capital provider collisions

\$1.6B

raised by all founders in the Communitech ecosystem





Markets

Creating revenue opportunities for founders means connecting them to strategic partners and potential customers. Our Fast Track collaboratives (called Future of collaboratives in FY23) work to **help founders sell to the biggest customers, at home and abroad.**

Fast Track Health

Connected tech founders and the health-care community to gather insights, define challenges and solve shared problems using trusted Canadian tech solutions.

CALL FOR SOLUTIONS

- 27 challenges
- 163 submissions
- 88 companies applied
- 10 commercialization-stage companies selected for the Solutions Showcase
- 16 validation-stage companies selected for mentorship

CONNECTIONS MADE

- ~45 coaching hours to founders
- 69 introductions between founders and health-care professionals or organizations

Future of Cities

Connected tech founders with industry partners and municipalities across Canada to reimagine the systems and processes that make our cities work.

CALL FOR SOLUTIONS

- 101 submissions
- 71 companies applied
- 10 commercialization-stage selected for the Solutions Showcase
- 28 validation-stage companies selected for mentorship

CONNECTIONS MADE

- 138 introductions between stakeholders
- 60 introductions between founders and Canadian municipalities
- 36 1:1 coaching sessions between founders and municipal stakeholders

27

events

1,000+

attendees

Community

Community has always been at the heart of Communitech – it's literally in our name. We bring together the right people at the right time to get things done. In post-pandemic FY23, we worked hard to return to in-person gatherings while strategically retaining the virtual connections that founders need in a hybrid world.

Events

- 27 events
- 1,000+ attendees
- 42 invitation-only P2P group meetings with 200+ attendees

The return of Techtobertfest

Communitech welcomed our community of founders and friends back to the Hub for Techtobertfest on Oct. 13, 2022. The day-long event featured Hub tours, investor meetings, peer-to-peer gatherings, an update on Team True North and plenty of Gemütlichkeit!

Hub tenancy

As we emerged from the pandemic and adapted to workplace changes, we strived to include more flexibility in our existing tenancy products and develop new offerings such as day passes, meeting room rentals and virtual mail services to accommodate the needs of fully remote and hybrid founders and their teams.

A total of 21 new tenant companies were added in FY23, with new additions to our partner space including Conestoga College, Constant Contact and McMaster University.

Startup

398 startup companies engaged with a Founder Success Manager or Growth Coach for a total of 3,172.1 hours of 1:1 support; 208 received an introduction.

Scale-up

126 scale-up companies engaged with a Founder Success Manager or Growth Coach for a total of 2,459.9 hours of 1:1 support; 57 received an introduction.

Fierce Founders

Our Fierce Founders community grew by 40 in FY23:

- Fierce Founders Uplift: One cohort, 10 participants
- Fierce Founders Bootcamp: One cohort, 11 participants
- Fierce Founders Intensive Track: Two cohorts, 19 participants

5,632+ hours of founder support

What's next: forging ahead for our founders

FY24 is already off to a strong start as we continue to build and execute on a portfolio of highly-relevant programs to support founders at all stages – startup, scale-up and at-scale.

Key initiatives launching in 2024 include:

The Help List 2.0

In FY24, the Help List will shift to a new software platform that will facilitate connections and add value to founders by removing some of the administrative work associated with sourcing talent. The new platform will be open to anyone looking for work, but will focus on placing talent that has been impacted by layoffs.

Good AI initiative

Good AI is a national coalition with a mission to help ensure Artificial Intelligence (AI) as a positive force for our global economy, society and environment. Launching in FY24, the coalition will build actionable strategies to help Canada's tech founders create trustworthy AI, and their customers to identify it.

ElevateIP

In Q3 of FY23, Communitech received funding to help deliver the ElevateIP program. Part of a \$90M investment over four years to help business accelerators and incubators like Communitech provide the tools Canadian startups need to protect, manage and leverage their intellectual property. Launching in FY24, the program will allow Communitech to help at least 1,200 startups over the coming years.

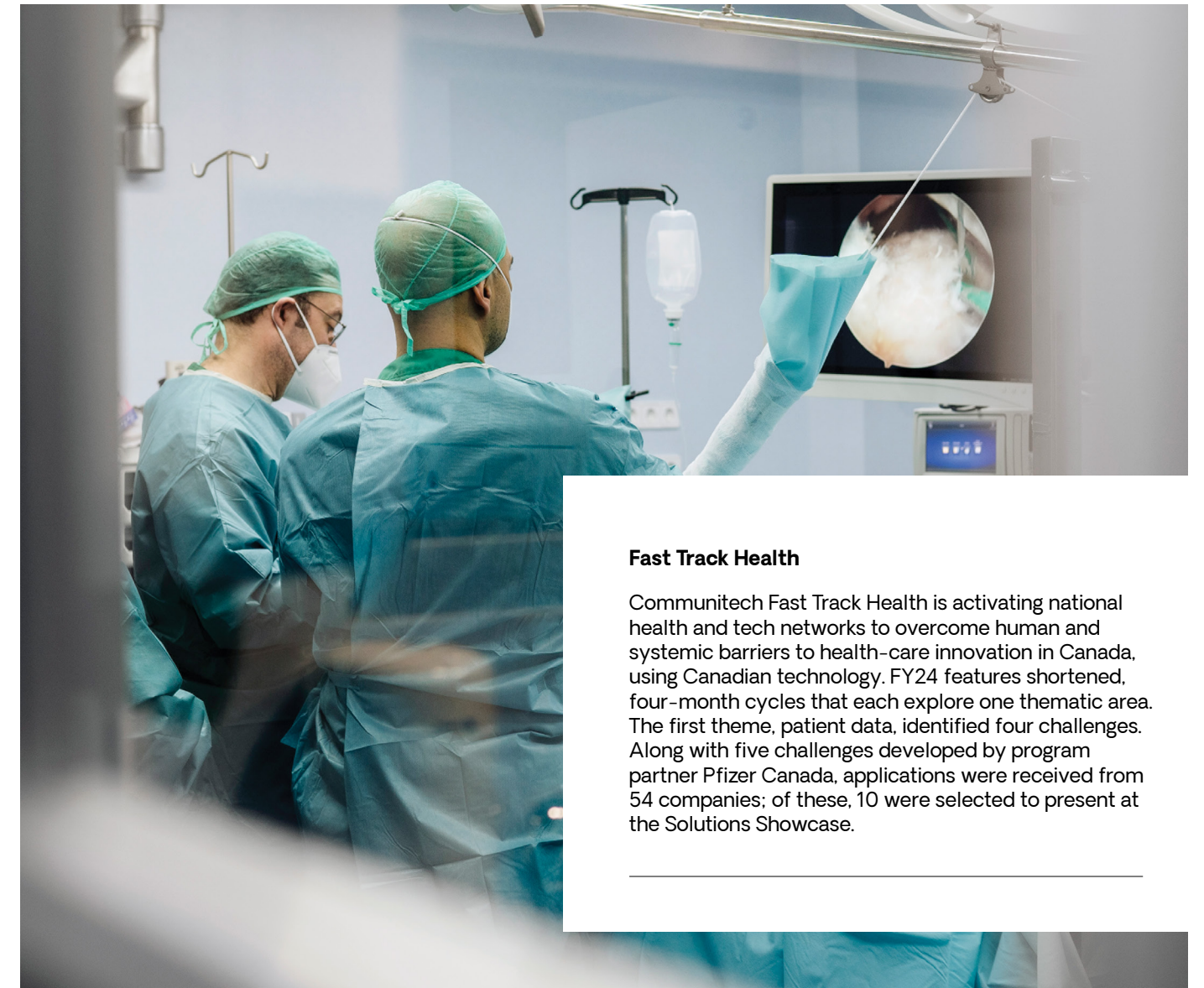


Northwatch

Communitech continues to build out Northwatch, the public-facing element of our data dashboard. Work to date includes the amalgamation of acquired properties Prospect and BriefedIn. In FY24, updates will include data on funding and acquisitions to help founders find the right investors and track competition.

Capital programs

Communitech provides services to help founders access capital. Our VC Office Hours initiative enables founders to meet with capital providers. Our weekly Capital AMAs help founders better understand available capital services. And our Techtobrofest Investorhaus event, which attracted 45 VCs in FY23, is expected to attract 75 VCs this fall and will kick off a series of weekly VC AMAs for founders.



Fast Track Health

Communitech Fast Track Health is activating national health and tech networks to overcome human and systemic barriers to health-care innovation in Canada, using Canadian technology. FY24 features shortened, four-month cycles that each explore one thematic area. The first theme, patient data, identified four challenges. Along with five challenges developed by program partner Pfizer Canada, applications were received from 54 companies; of these, 10 were selected to present at the Solutions Showcase.

Financial highlights

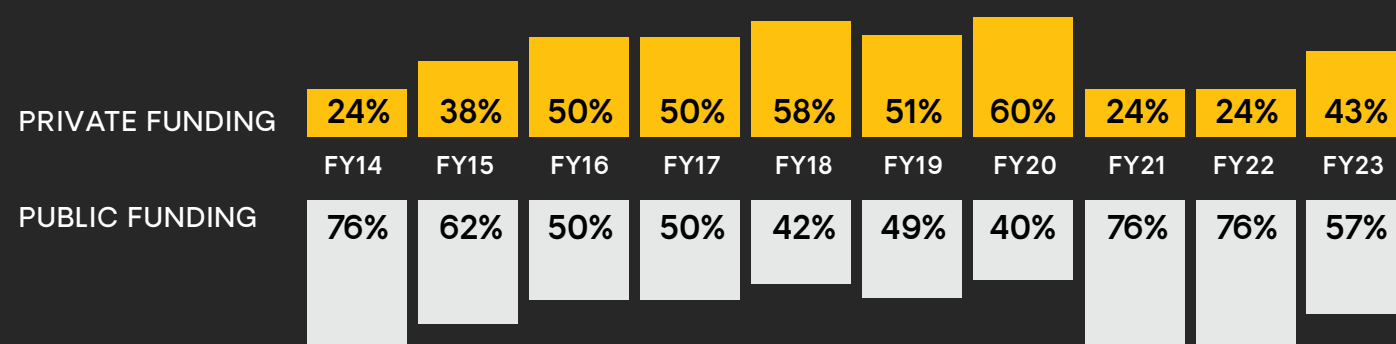
FY23 saw an anticipated decrease in year-over-year public revenue due to significant funding agreements like CECR and 5G programs – as well as COVID support programs such as Digital Main Street – coming to a close in FY22.

Program spend also decreased as we shifted to delivery under new programs.

We saw growth in private revenue from program partnerships and increased tenancy at the Hub as companies returned to the office and this will be an area of continued focus as we move forward into FY24.

We achieved a funding mix of 39% private and 61% public. In our FY22 annual report, we stated that our goal was to return to a 50/50 funding mix within the next two years, however, with large funding agreements signed in FY23 (ElevateIP and Integrated Markets), we are working on redefining what sustainability looks like for Communitech.

Sustainability of Base Operations, FY14 – FY23



	Year ended March 31, 2023			Year ended March 31, 2022		
	Base operations \$	Development initiatives \$	Total \$	Base operations \$	Development initiatives \$	Total \$
Revenue						
Public sector funding						
Communitech revenue	8,328,055	1,372,520	9,700,575	10,538,007	6,931,692	17,469,699
Externally funded partners	—	4,485,487	4,485,487	—	1,902,686	1,902,686
	8,328,055	5,858,007	14,186,062	10,538,007	8,834,378	19,372,385
Private sector revenue	6,290,067	22,350	6,312,417	6,132,751	41,651	6,174,402
	14,618,122	5,880,357	20,498,479	16,670,758	8,876,029	25,546,787
Expenses						
Programs and events	5,590,930	1,268,490	6,859,420	5,474,014	6,619,097	12,093,111
Operations	5,492,461	10,820	5,503,281	5,967,469	74,818	6,042,287
Communications	2,268,214	43,686	2,311,900	2,599,984	201,673	2,801,657
Administration	1,861,989	71,874	1,933,863	2,293,830	77,755	2,371,585
Externally funded partners	—	4,485,487	4,485,487	—	1,902,686	1,902,686
	15,213,594	5,880,357	21,093,951	16,335,297	8,876,029	25,211,326
Excess of revenue over expenses for the year	(595,472)	—	(595,472)	335,461	—	335,461

Catching up with Chris

Q&A with our CEO, Chris Albinson.



It's been a challenging year for tech, but there have been plenty of bright spots. What stands out from your perspective?

If you think about the four core elements of Communitech's True North Strategy – talent, capital, access to markets and Tech for Good® – it's been a very exciting 12 months. I'm even more excited about what's ahead of us. On the talent side, 32,000 new tech workers came to Canada in the last 12 months. Canada added 22,000 new tech jobs in AI, the number of tech workers in Waterloo Region has grown to nearly 30,000, there are more than 6,000 open jobs on our Work in Tech board, and there was fantastic uptake on the federal government's open work-permit stream for international tech workers holding a U.S. H-1B visa. Waterloo Region also jumped six spots to No. 18 on CBRE's ranking of the top 50 North American tech markets. What all of this data validates for me is that talented tech people who want to build big things that are going to be impactful for the planet are increasingly seeing Canada as the best place in the world to do that. The Waterloo-Toronto corridor is now home to one of the most diverse and densest clusters

of tech workers on the planet. Any success we have with our True North Strategy has to start with people, so I'm really excited to see such great progress in attracting and retaining this awesome human capacity.

Let's talk capital. After a stellar investment year for Canadian tech in 2021, we saw a pullback over the past 18 months. What do you see going forward?

Tech has always been this funny looking rollercoaster where it kind of goes up, comes down a bit and then goes up again. We certainly had that pulling back last year with market dislocation and uncertainty. And any time you have uncertainty, capital tends to get tighter. One of my big takeaways from the past year was that, somewhat ironically, the final State of Markets Report from Silicon Valley Bank said that Canadian startups tend to be more efficient and better set up to go through a pullback. The report went on to say that more investment capital was therefore likely to come in and support Canadian companies, which were outgrowing their U.S. peers for

the last five quarters in a row. And I think that's what we're seeing happen. So, yes, there was a pullback, but Canadian companies tightened their belts sooner and were better managed than we've ever seen before, and as a result they've been much more resilient. Combine that with AI, which is probably the biggest technology wave we've ever seen in our lifetime, being so well and deeply anchored here. We saw \$2.8 billion invested in Canadian tech companies in Q2 of 2023, the second highest Q2 investment on record. Still, while it's great to see more money being invested in Canadian companies, unfortunately over 70 per cent of that is coming from outside of Canada. We need to do more to persuade Canadian pension funds and university endowments to invest in Canadian tech. Caisse de dépôt has the best venture returns in the country by investing in Canada. If we could get all of the other pensions investing the same way that Caisse is investing, and stop pushing money into Silicon Valley and these other places like China, and say, 'You can take less risk, get better returns and ultimately build the country by investing at home,' that would be huge.

Integrated markets – the matching of Canadian founders with Canadian buyers – is another pillar of the True North strategy. What's new on this front?

Integrated markets remain a big focus for Communitech, and probably the hardest rock to move forward. We've made a good start but we've got a long way to go. I'm excited about our partnership with CAN Health and seeing companies like KA Imaging, Axonify, Signal 1, Voyce and Intellijoint all deployed locally, when two years ago we were told it would never happen. When we originally proposed integrated markets to the federal government, we said there were three big markets that were really important for supporting Canadian innovation – health, cities and national security. It's great that we've got health up and running at some scale and momentum. On cities, we've got really great engagement but we're, honestly, doing it with duct tape and string, so we're pushing hard with what we've got. And then we recently launched the Canada-Ukraine Security Innovation Challenge (CUSIC) along with our partners at the Ukraine Startup Fund and the Ontario Centre of Innovation, which aligns on the national security side. I think we've seen, sadly, in the war in Ukraine that the nature of warfare has changed dramatically. The CUSIC initiative is a paired design approach that allows Ukraine and Canada to learn from one another's challenges and technical solutions. One of the big issues the Ukrainians have raised is 'predictive defence' – what are your most vulnerable assets, like water systems and the electrical grid, and how are they most likely to be attacked? Is it a drone, a missile, a cyber attack? And how do you use predictive AI tools

"If you pull the lens back, we're going through the biggest change in industrial makeup and strategy in over 80 years, combined with one of the biggest technology changes we've seen in 80 years."

– **Chris Albinson, CEO, Communitech**

to understand what's likely to be attacked, and how it's going to be attacked, so you can protect it? So, we're really starting to move the ball in terms of integrated markets in several areas.

What else should we be looking forward to in the coming year?

If you pull the lens back, we're going through the biggest change in industrial makeup and strategy in over 80 years, combined with one of the biggest technology changes we've seen in 80 years. If you look at the U.S. CHIPS Act, along with the IRA Act, the U.S. is investing \$20 billion over seven years in their tech hubs. We're not going to be able to compete with them dollar for dollar, but what we are trying to do is knit together the most impactful combination of support to help our founders start, scale and succeed. We're doubling down on our support for founders on talent, we're doubling down on our support on capital, and doubling down on our support and execution on integrated markets. In addition to that, we're launching the government-funded ElevateIP program to help Canadian founders commercialize and protect their intellectual property. We're also developing a Good AI coalition to make sure that our use of AI is ethical and beneficial to society. AI and machine learning are absolutely a big opportunity for us, and a lot of responsibility comes with that. Canada is the place where the robots don't kill the humans. I'm excited about the ethical and transparency frameworks that we're building with Good AI, and then sharing that with our startups in a way that they can implement it. Finally, we're re-looking at how we support early-stage companies and how we can better support them. That's a big focus for the year ahead. As we enter our 26th year, I know our community of tech will remain vibrant, helping one another grow and fully representing the True North globally. Let's go!

Thank you

A big shout out to all our partners and supporters.

It's through the support of our public and private partners, our members, investors and sponsors that we are able to help Canada's founders build trusted technology and world-leading companies.

We'd also like to give a special shout out to the Government of Canada, Province of Ontario, City of Kitchener, Region of Waterloo and City of Waterloo – our longstanding public partners – for their ongoing support.



Canada-Ukraine Security Innovation Challenge (CUSIC)

Our latest acronym is a good one...
a Tech for Good® one.

Tech companies in Canada and Ukraine are currently participating in a bilateral competition to present innovative solutions that strengthen the safety and technological expertise of both countries. Solutions address a range of national-security challenges, from cybersecurity to communications between partner nations.

The goal: commercialization of top solutions through piloting and procurement opportunities.



Learn more at cusic.ca

COMMUNITECH®
FAST TRACK SECURITY



CUSIC is a collaborative effort between Communitech, the Ontario Centre of Innovation (OCI), and the Ukrainian Startup Fund.