



CHAIRE FINTECH

AMF-Finance Montréal

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Newsletter: Fintech investor's profile

Objectives:

- To present main trends related to Fintech development in Canadian provinces during 2010-2021
- To identify funding types that support the development of Fintech by province
- To understand profile of main investors in the Fintech industry in Canada

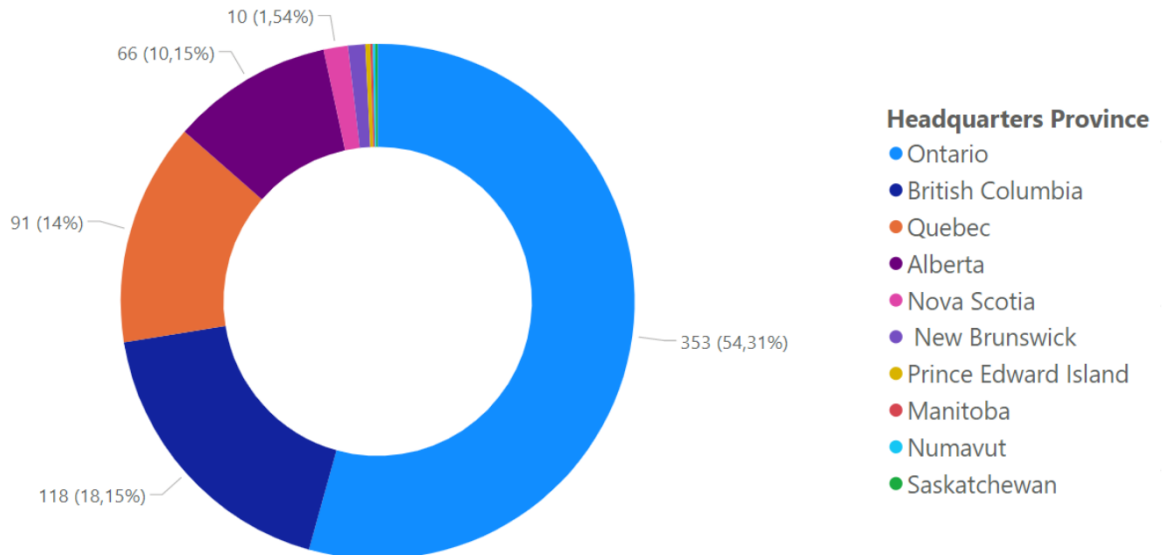
This newsletter presents the number of Fintech founded by Canadian province during the period 2010-2021, to recognize main trends and facts related to the Canadian Fintech Hub.

It describes the funding types related to the development and support of Fintech/startups, to understand how the Canadian provinces are developing their own Fintech Hubs, and also it presents a relevant example of profile investor, such as, the incubators and accelerators.

Four provinces represent 96% of the total

number of Fintech founded during 2010-2021

Number of Fintechs Founded between 2010-2021



- More than the half (54%) of Fintech's headquarter are located in Ontario.
- British Columbia represents 18,15%, Québec have 14% of the total, while Alberta has 10,15%

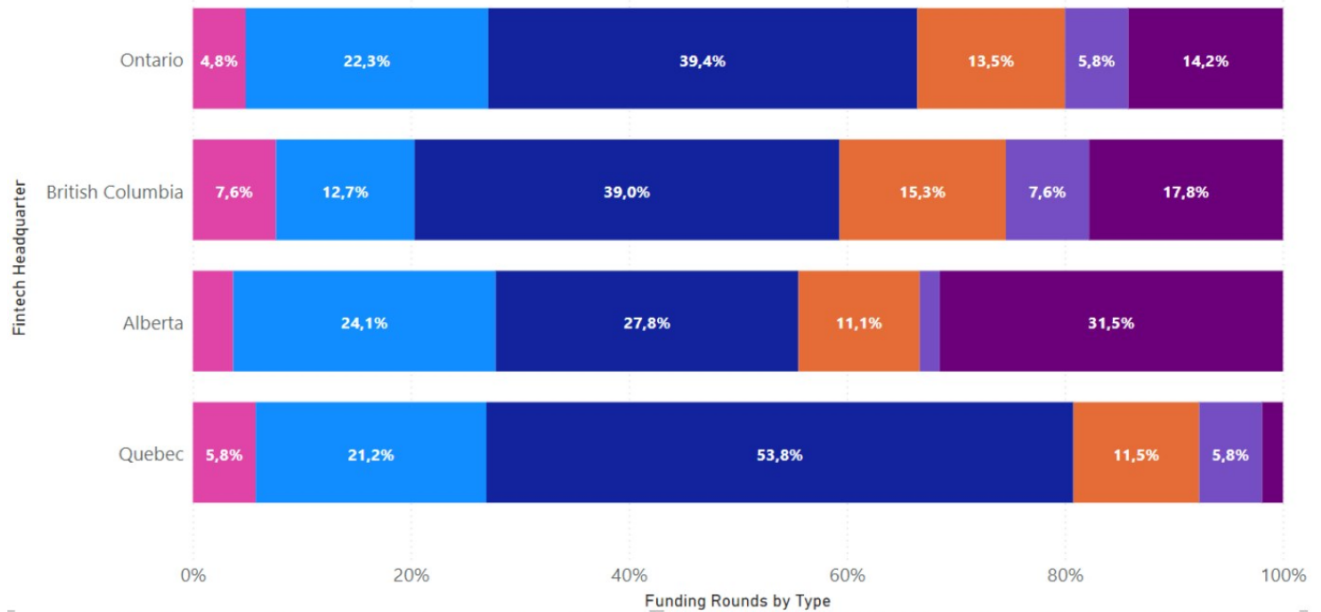
"The two western provinces represent 28,3% of Canadian Fintech, while Ontario and Québec have 68,3% of total Fintech."

In general, over 50% of funding types in Fintech

are Pre-Seed or Seed

Funding Rounds by Province between 2010-2021

Funding Type ● Angel ● Pre-Seed ● Seed ● Series A ● Series B ● Venture - Series Unknown



* Total number of funding rounds by province: Alberta (54), British Columbia (118), Québec (52), Ontario (310)

- British Columbia and Ontario have similar funding type structure, excepting in Angel and Pre-Seed, where British Columbia has the highest representation of Angel funding type (7,6%) among provinces.
- Seed is the most common funding type across selected provinces (over 35%), excepting Alberta (27,8%), where Venture is the most relevant (31,48%) funding type.

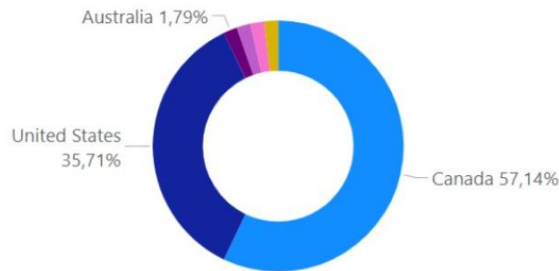
"Québec has the highest representation of Seed (53,8%) and also the lowest percentage of Venture (1,92%) funding type."

Considering headquarters location and all

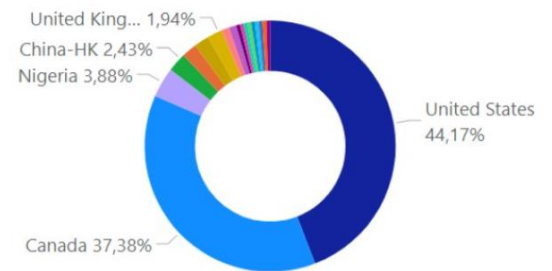
funding types, Canadian and U.S. investors

represent more than 80% across provinces.

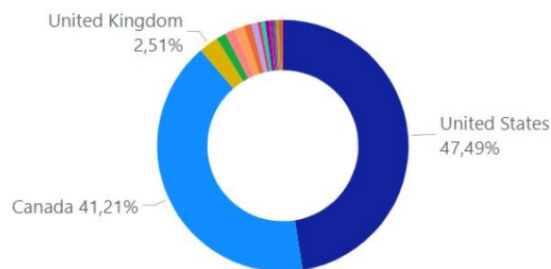
Investor Country by Province: Alberta



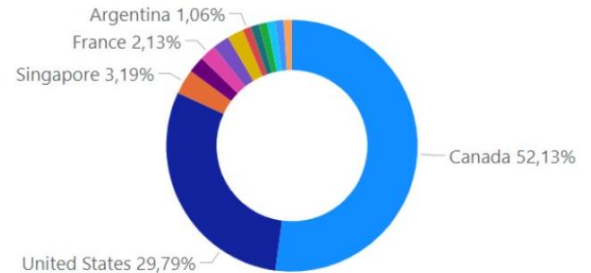
Investor Country by Province: British Columbia



Investor Country by Province: Ontario



Investor Country by Province: Québec



* Total number of investors by province: Alberta (56), British Columbia (206), Ontario (398), Québec (94).

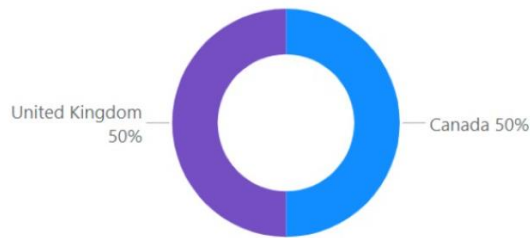
* Total number of investors by province: Alberta (56), British Columbia (206), Ontario (398), Québec (94).

- In British Columbia and Ontario U.S investors represents the majority (over 44%), while in Alberta and Québec, Canadian investors are majority (over 50%).
- It is possible to identify investors from other countries such as U.K, Singapore, Nigeria, Japan, Australia, however their individual representation from the total is less than 5% (depending of each province).

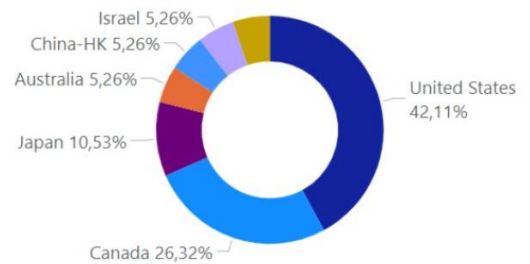
"In Ontario and British Columbia, U.S investors have more participation in funding types than Canadian investors."

Fintech investor profile: Incubators and accelerators

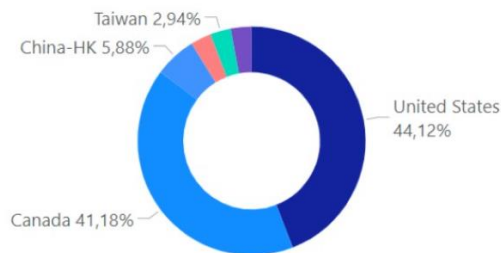
Incubator-Accelerator Investor Profile by Country and Province: Alberta



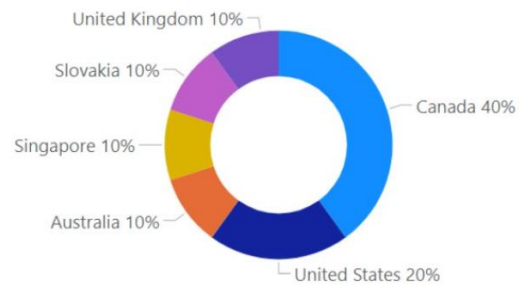
Incubator-Accelerator Investor Profile by Country and Province: British Columbia



Incubator-Accelerator Investor Profile by Country and Province: Ontario



Incubator-Accelerator Investor Profile by Country and Province: Québec



* Total number of companies by province: Alberta (2), British Columbia (19), Ontario (34) and Québec (10).

- In British Columbia and Ontario, U.S companies are the main investors (more than 42% in both cases).
- Canadian companies are relevant in all provinces, especially in Alberta (50%) and Québec (40%).
- Other countries, such as Australia, Japan, U.K, Israel and China-HK are also relevant.
- In Québec, investors from U.K, Singapore, Australia and Slovakia are also participating in Fintech.

"U.S investor have more presence in British Columbia and Ontario, than in Alberta and Québec."

Highlights

- In general, Seed is the most recurrent funding type in three of four of the provinces considered, excepting Alberta where Venture (31,5%) is higher than Seed (27,8%). Québec is the only province where Seed represents more than the half of funding types (53,8%).
 - Ontario represents more than the half of the number of Fintech founded (54,31%), where U.S investors have a slightly higher participation than Canadian investors (47,49% versus 41,21%), especially in profiles like incubator-accelerator (less than 3% of difference).
 - A similar situation occurs in British Columbia, but the difference between U.S and Canadian investor participation is higher (44,17% versus 37,38%), especially in the incubator-accelerator profile, where the difference is more than 15% (42,11% versus 26,32%).
 - In Alberta, Venture is the most relevant funding type (31,5%).
 - In Québec, Canadian investors are the main participants (more than 50%), follow by U.S investors (29,79%). A similar situation is observable in profile investors such as incubator-accelerator (40% versus 20%).
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About the data

Data from CrunchBase was downloaded in December 2022 and the analysis considered the period from 2010 to 2021.

The following is the definition of Funding Types in CrunchBase:

- Angel round is typically a small round designed to get a new company off the ground. Investors in an angel round include individual angel investors, angel investor groups, friends, and family.
- Pre-Seed round is a pre-institutional seed round that either has no institutional investors or is a very low amount, often below \$150k. Seed rounds are among the first rounds of funding a company will receive, generally while the company is young and working to gain traction. Round sizes range between \$10k–\$2M, though larger seed rounds have become more common in recent years.
- A seed round typically comes after an angel round (if applicable) and before a company's Series A round.
- Venture - Series Unknown refers to an investment that comes from a venture capital firm and describes Series A, Series B, and later rounds. This funding type is used for any funding round that is clearly a venture round but where the series has not been specified.
- Series A and Series B rounds are funding rounds for earlier stage companies and range on average between \$1M–\$30M.



Contact Us

Your comments and feedback are really welcome!

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