

CIVIC PARTNER 2019 ANNUAL REPORT SNAPSHOT-CALGARY TECHNOLOGIES INC. (PLATFORM CALGARY)

CALGARY TECHNOLOGIES INC. (Platform Calgary)

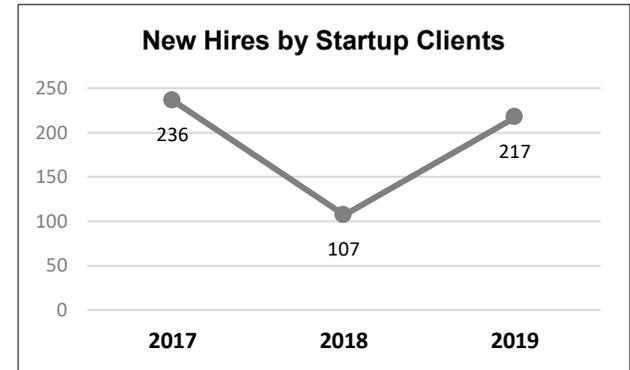
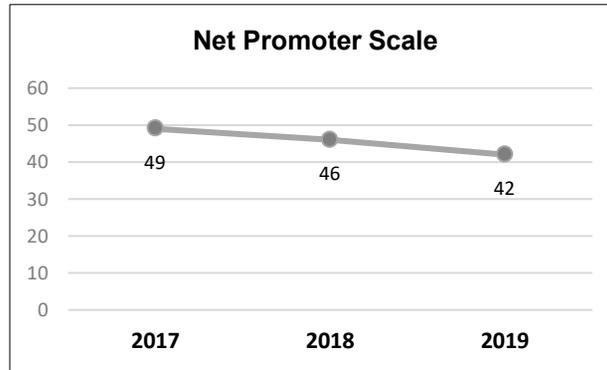
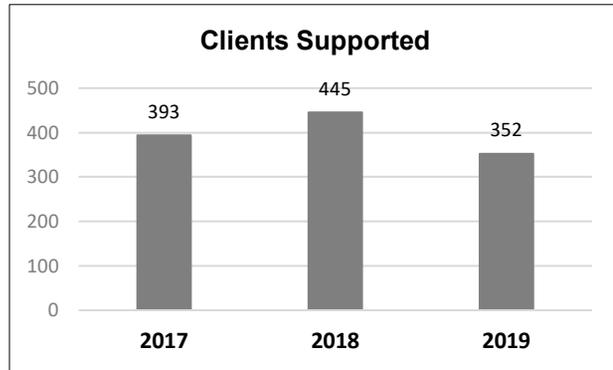
Vision: Building shared prosperity by working together to make Calgary a global hub for startups and innovation.

Mission: Empowering people building the next economy.

2019 City Investment

Operating Grant:\$802,459
City owned asset? No

2019 Results



The story behind the numbers

- The decrease in clients does not indicate decrease in demand, rather reflects more intensive programming combined with high ecosystem connectivity and organized suite of program choices. More programming availability is necessary to 10X Calgary's tech companies.
- The 2019 net promoter score of 42 is rated as "Good" on a scale of -100 to +100. The score measures a client's experiences and their level of satisfaction with Platform Calgary's programs and services.
- New Hire data is from an Annual Client Survey. The New Hires number is not cumulative and reflects different clients responding each year.

Current state 2020: COVID-19 impact

- Operations at the Alistair Ross Technology Centre and Hillier Building were closed to the public in March. Rent deferrals were offered to small business tenants, and fee relief for startups and entrepreneurs. Anticipated the impact will be in fiscal year 2021.
- Pivoted to online delivery of programs and services to continue to serve clients and to serve a wider audience. Offered the Junction program province-wide in collaboration with partners in Edmonton and Lethbridge.
- Construction of the Platform Innovation Centre continued with design adjustments for public health measures.

Service impact: Significant

Current service demand: Demand is steady, largely business as usual.



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Organizational Structure: City of Calgary Minority Owned Subsidiary, ABCA Corporation

Fiscal Year: April 1, 2019 to March 31, 2020

City 2019 Operating Grant: \$802,459

STRUCTURE

1. Vision, Mission and Mandate:

Mission: Empowering people building the next economy.

Vision: Generate shared prosperity by making Calgary a global hub for startups and innovation.

A key strategic goal is to collaborate with partners to increase the number of core tech companies in Calgary (tech companies with 5 or more staff) to 1000 by 2031, and the number of active tech startups (companies with under 5 staff) to 2000+ in that same timeframe.

2019 RESULTS

2. What key results did your organization achieve in 2019 that contributed to one or more of the One Calgary Citizen Priorities? (*A Prosperous City, A City of Safe & Inspiring Neighbourhoods, A Healthy and Green City, A Well Run City*).

Our organization contributes most towards the Council Priority "A Prosperous City", especially priorities P1 and P2 as follows :

- P1 Strengthen Calgary's position as a global energy centre and location of choice for international talent, investment and innovation through enhanced business development, marketing and place-making initiatives.
- P2 Advance purposeful economic diversification and growth.

In support of *A Prosperous City*, Platform Calgary delivered services to 352 clients in 2019.

- 62 clients participated in two programs helping new founders get started on their tech startup journey.
- 113 companies prepared to launch with guidance from three programs including Platform's flagship, Junction.
- 128 clients used services to refine their operations as they scaled. Once an innovative tech company reaches the scaling stage, it is significantly more likely to hire employees, receive investments, and contribute to GDP.
- 49 unique companies rented space in the Alastair Ross Technology Centre.

In support of *A Healthy and Green City*, Platform Calgary, with our partner Foresight Cleantech Accelerator, helped cleantech startups advance their business. Within the first six months, two cohorts totalling 35 companies participated in this acceleration program.

3. What quality improvement changes did you make, or operational efficiencies did you find in 2019?

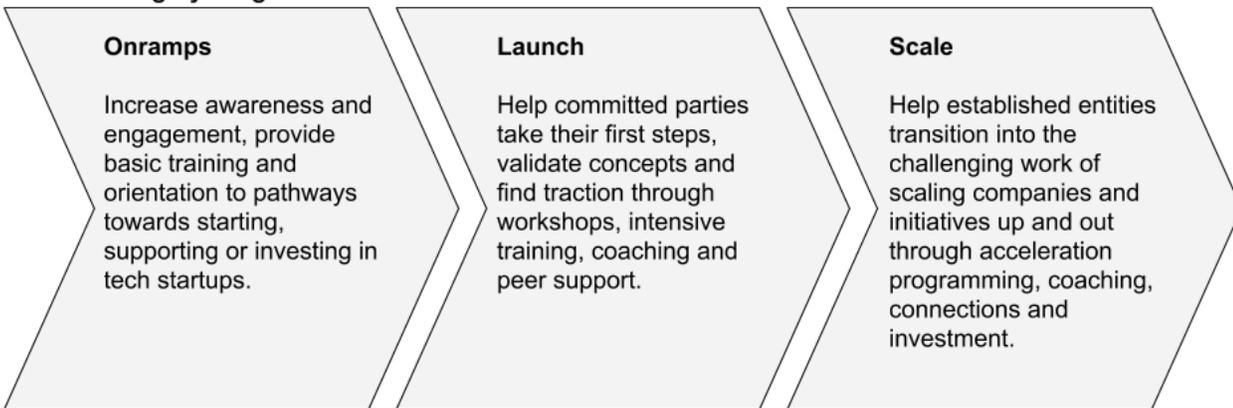


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To increase the number of core tech companies in Calgary, Platform Calgary designed and iterated its programs to systematically bring people and businesses into the tech startup ecosystem, help them get established, navigate challenges in the “valley of death,” and grow quickly into global successes.

Programs are built to be intensive, yet efficient and to operate at scale using digital tools where possible. Our programming framework (below) ensures operational efficiency by ensuring that clients are able to access the right service for their stage of business readiness.

Platform Calgary Program Framework



As demonstrated in the metrics below, Platform Calgary experienced demand growth.

<u>Stage</u>	<u>2019</u> 303 cohort clients	<u>2020 (to August)</u> 380 cohort clients
Stage-2 to 0 (onramps)	62	192
Stage 0 to 2 (launch)	113	107
Stage 1 to 3 (scale)	128	81

This demand is consistently higher than current delivery capacity. For example, each cohort of Junction had significantly higher application rates than acceptance rates. The consistency of the acceptance rate demonstrates capacity, rather than applicant eligibility, is the driver of the acceptance rate.

Junction Cohort	Applications	Acceptance rate
#2 Spring 2019	45	38%



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#3 Fall 2019	81	35%
#4 Spring 2020	60	28%
#5 Fall 2020	62	29%

4. What program, service or initiative was most successful in 2019? What lessons learned from this experience can inform future work?

Platform Calgary’s programming philosophy starts with the guiding principle to “Collaborate First” and is rooted in our keystone ecosystem builder role to amplify, connect and instigate initiatives that will advance Calgary’s ecosystem. All of the Platform Calgary programs discussed in this document are intended to be delivered in partnership, and/or drawing from local and global expertise. Each of Platform’s programs was delivered with or by a community partner with unique expertise. Joint delivery enables operational efficiencies for all contributing organizations and ensures cost is not a barrier to participation in startup-oriented programming.

Our collaboration-first model was demonstrated in Spring 2020, when Platform Calgary and Startup Calgary collaborated to re-design Startup Calgary’s program offerings. Platform Calgary leveraged its staff expertise to deliver Startup 101 to 50 entrepreneurs per month, Customer 101 to 40 entrepreneurs per month, and Customer 201 to 30 entrepreneurs per month. Other collaborative partners include: AltoSante, Hunter Hub, Tenet I2C, 321 Growth Academy, A100, Product Calgary, Legal Sneakers, The Agency, Startup Calgary, Calgary Economic Development’s Trade Accelerator Program, Venture Mentoring Services of Alberta, and Foresight.

5. What is one success story from 2019 that demonstrates how you worked in partnership with other community, private or public organizations to achieve shared results for Calgary and Calgarians?

In Spring 2020, the University of Calgary’s Hunter Hub for Entrepreneurship was experiencing organizational changes and identified the Summer Incubator Program was at risk of not being delivered in 2020. This risk was compounded by delivery challenges from COVID, since the program was traditionally offered in person. Platform Calgary had been a delivery partner for the Summer Incubator program in previous years and undertook promotions, applications, design and delivery and securing funding.

Leveraging community relationships, Platform Calgary secured \$25,000 from RBC and \$30,000 from Western Economic Diversification to provide students with monthly stipends, enabling them to work on their businesses full time over the summer. Local AI startup Altosante also partnered to create an artificial intelligence stream for students. This effort effectively created 20 jobs for youth and allowed young entrepreneurs to build expertise in running a startup. Even if



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these companies are not successful, with the skills taught in the program, these founders may go on to create or work for successful new businesses.

RESOURCES

6. **Please estimate how The City’s operating funding was allocated in 2019. Mark all areas that apply by approximate percentage. For example, 45% allocated to staffing costs, 10% to evaluation or research, etc.**

%	Advertising and promotion
%	Programs or services
%	Office supplies and expenses
%	Professional and consulting fees
100%	Staff compensation, development and training
%	Fund development
%	Purchased supplies and assets
%	Facility maintenance
%	Evaluation or Research
%	<i>Other, please name:</i>

7. **Did volunteers support your operations in 2019? If yes:**

How many volunteers?	29(VMSA) 47(Junction) 10(Board)= 86
Estimated total hours provided by volunteers:	700(VMSA) 165(Junction) 300(board)=1165

8. **What resources did your organization leverage to support operations in 2019?**

Platform Calgary continued to leverage the City of Calgary’s \$802,000 annual operating grant to secure Alberta Innovates by a factor of 4 to 1 in Fiscal Year 2019-20. A net positive cash flow of approximately \$549,741 from the operation of the Alastair Ross Technology Centre also contributed towards operating expenses for programming.

Platform Calgary is structured such that core operations include the ability to deliver base programming through our Programs Team, with scale and depth provided by our Advisor Network, enabling us to bring on volunteer and paid expertise on demand. For example,



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entrepreneur mentors volunteer their time towards the Venture Mentoring Service of Alberta (VMSA) managed by Platform Calgary.

9. Using the chart below, please report your 2019 performance measures that demonstrate: how much you did, how well you did it, and how Calgarians are better off. Please identify through BOLD font, 1-2 measures that are most significant and could be presented in a chart.

	Performance Measure Name	2017 results	2018 results	2019 results	What story does this measure tell about your work?
How much did you do?	Number of clients (companies) served incl. INC members	393	445	352	Calgary lags other jurisdictions with respect to the number of high potential ventures per capita. Calgary needs at least a five fold increase in these types of companies within ten years just to match where other jurisdictions are today. To achieve this, the number of people trying to start such companies also needs to increase. The decrease in clients does not indicate decrease in demand, rather this reflects a more intensive programming approach combined with high ecosystem connectivity and organized suite of programming choices for clients. More programming availability is necessary to 10X Calgary's tech companies.
How well did you do it?	NPS score	49	46	42	Platform Calgary's 2019 net promoter score is 42 which is rated as "Good" on a scale of -100 to +100. The score measures a client's experiences and their level of satisfaction with Platform Calgary's programs and services
How are Calgarians better off?	New Hires	36	07	217	New Hires data is extracted from our Annual Client Survey of which there were 115 respondents for 2017, 62 for 2018, and 50 for 2019. The New Hires number is not cumulative and also reflects different clients responding each year. Based on the varying number of responders, New Hires per client averages 2.0 for 2017, 1.7 for 2018, and 4.3 in 2019.

10. Briefly describe how your key results in 2019 contributed to Council approved strategies (As applicable.) For example: Calgary in the new economy: An economic strategy for Calgary; Calgary Heritage Strategy; Climate Resiliency Strategy; Resilient Calgary; Enough for All poverty reduction strategy; Cultural Plan for Calgary;



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Downtown Strategy; Foundations for Hope: Calgary’s Corporate Affordable Housing Strategy; Open Spaces Plan; Recreation Master Plan; Sport for Life Policy.

Platform Calgary’s key results contributed to *Calgary in the new economy: An economic strategy for Calgary*, particularly the Innovation pillar. Platform Calgary’s CEO, Terry Rock, Co-chairs the Innovation Agenda Team with Calgary Economic Development.

Platform Calgary’s programs have contributed to increased the number of early stage and growth startups in Calgary and supported access to funding in the ecosystem by managing Alberta Innovates funding for the Calgary Innovation Coalition. In Platform Calgary’s role as ecosystem convener, it enhanced the awareness of Calgary’s ecosystem at home and across North America, by spearheading the Alberta Innovation Corridor and benchmarking Calgary’s performance against cities around the world through Startup Genome.

Platform also contributes to the “Climate Resiliency Strategy” by running a cleantech accelerator program in partnership with Foresight Cleantech Accelerator. In Fiscal Year 2019-20, a total of 35 companies participated in the program.

11. Did your organization receive any awards or recognition in 2019 that you want to highlight?

N/A

12. CAPITAL AND ASSET MANAGEMENT (for Civic Partners managing City-owned assets)

Asset: *Insert Name of City owned asset managed or operated*

a) Provide a summary of your organization’s 2019 capital work, including specific lifecycle/maintenance projects or new capital projects.

b) What funding did your organization leverage to support capital activities in 2019?

COVID-19 UPDATE

13. Briefly describe the key impacts of COVID-19 on your operations to date.

Platform Calgary's two facilities - the Alastair Ross Technology Centre (ARTC) and HILLIER buildings - were immediately closed to the public and employees were asked to work from home. At the ARTC, some revenues were significantly reduced and rent deferral was offered to small business tenants. ARTC co-working spaces and programs for entrepreneurs and technology startups were granted 100% fee relief. Parking fees could not be charged. A Start-up Visa Program for international entrepreneurs was put on hold due to travel restrictions.

During the shutdown in 2020, significant operating expenses related to the two facilities



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continued to be incurred. The ARTC is owned by Platform Calgary. ARTC fixed operating costs include Property Management staff, cleaning and janitorial, insurance, repairs and maintenance, safety and security, property taxes and utilities. At the Hillier Block, a leased facility, fixed operating costs include equipment rental, safety and security and utilities.

It is expected that the effects of COVID-19 will be fully experienced in Fiscal 2021 after which there will be a gradual return to historical operational levels by 2026. Platform Calgary is vulnerable to the effects of an economic slowdown as its tenants and clients are small technology companies that are especially hit hard by the pandemic.

Platform Calgary had to defer any capital projects planned and not started in 2020 due to lack of cash flow. Parking Lot repairs and landscaping projects are deferred until 2021. This changes all the Capital planning for the next five years as all of the projects cannot be amortized at once.

As the new Innovation Centre is still in design development, changes to the building layout and functional elements have been taken into consideration to reduce the spread of COVID-19. 5468796 Architecture Inc, the design firm contracted for the interior design of the Platform Innovation Centre, has reviewed a number of research papers on COVID-19 and brought forward a number of key recommendations which include: touchless opening of main doors, wider doorways, stairways and walkways, additional entry points into the building to reduce congestion, natural air ventilation, oversized meeting rooms, technology integration and socially distanced workstations. It is important to Platform Calgary to open a building that is as safe as it possibly can be using integrated technology.

14. What operational efficiencies did you implement to address the impact of COVID-19 up to September 1, 2020?

During COVID-19, Platform Calgary instituted a zero-based budget wherein every expenditure greater than \$500 was scrutinized by the Executive Team prior to purchase. The Board of Directors approved a goal of reducing variable operating expenses by 25%. Effective April 15, 2020, employees' salaries were temporarily reduced by 5% to 15%, depending on position and level within the organization. Salary roll-backs were partially repealed by 5% in July 2020 after Platform was approved under the Federal Employee Wage Subsidy Program. Platform Calgary applied for the Federal Rent Relief Assistance Program (CECRA) for ARTC tenants who are eligible and needing this assistance. Under CECRA, Platform Calgary will lose 25% of applicant tenant rental revenues.

15. Were there any program or service changes made during the response to COVID-19 that you plan to integrate into longer term operations? For example, shifting some programming online, or modifications to your delivery model or operations.

Platform's delivery model pivoted to deliver classroom-style programming remotely via zoom meetings, asynchronous learning, and revised workshops. Educational content was re-written



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and re-organized. Community engagement activities also pivoted to remote delivery. Internally, staff transitioned to a full work from home model, with a return to office plan implemented in mid-July 2020. The transition to remote delivery provided Platform Calgary with an opportunity to offer its services to a wider audience. For example, criteria for the Summer Incubator Program, which targets post-secondary entrepreneurs, was able to expand from City of Calgary residents to province-wide. In Fall 2020, Platform also offered Junction province-wide, in collaboration with innovation partners in Edmonton and Lethbridge. This expansion helps remove barriers to entrepreneurship remote and rural founders experience, and enhances Calgary’s reputation as an Alberta business hub.

**COVID-19 Service and Impact Demand Update
Reporting for September 2020**

The following information is collected to align with City of Calgary report to Council on the current impact of COVID-19 on delivery of services and programs and may be shared with Council separately from the previous Civic Partner Annual Report Template content.

Service Impact

Please choose the one option below that best describes the impact of COVID-19 on your programs or service in the month of September 2020.

<input type="checkbox"/>	Negligible	Minimal to no impact on service. Service is currently operating close to normal.
	Minor	Continuing to provide programs and services but some coping strategies required – able to be addressed with existing strategies and resources.
<input type="checkbox"/>	Moderate	Some challenges on ability to achieve objectives. Some delay. Some aspects of the programs or service are only being met in part.
X	Significant	Difficulties to achieve objectives. Delays or notable aspects of objectives not completed. Falling well-short of normal operations.
<input type="checkbox"/>	Severe	Unable to meet normal objectives due to serious extended disruption. (e.g. full facility closure, major decrease in users)

Service Impact Narrative:

Please briefly describe the impact of COVID-19 on your service for the month of September. You may want to include any major issues/events you experienced.

After deferring \$332,456.73 in rent over the five months due to COVID, Platform Calgary is in the process of developing payment plans for anything deferred. A number of tenants are ineligible to receive rent support through the Canada Emergency Commercial Rent Assistance



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(CECRA) program as they had lost significant revenue but did not meet the 70% loss threshold required.

In April, a reception full time position was cut due to lack of cash flow. This makes it very difficult to resume day to day operations within the ARTC for staff and negatively impacts experiences for remaining Tenants.

To finance the Platform Innovation centre capital project, Platform Calgary is undertaking a sponsorship and donation campaign, including sale of community bonds. As a result of COVID, Platform Calgary had to significantly reduce its expectations of philanthropic support and delayed the fundraising campaign past September 2020. If fundraising goals are not met, Platform Calgary will not expand programming as planned and alternative - though limiting - financing options will be considered.

Current Demand for Service:

At this point in time, based on what you know right now, what is your best estimate of the current demand for your service compared to typical demand?

X	Demand is steady, largely business as usual.
X	Demand has increased notably.
X	Demand has decreased notably.

Service Demand Narrative:

Please provide a supporting narrative that describes how COVID-19 has impacted the demand on your programs or services for September 2020. This may include any new program or service impacts that your organization has faced in the past month.

Because of the range of our programs and services, and our role to systematically grow the innovation economy to create a new driver of prosperity, we have experienced mixed demand for service.

In our facility rental service offering, demand has dipped considerably. ARTC building vacancy is 49%, its highest since 2016. Comparatively in February 2020 vacancy was 24%.

Conversely, demand for Platform Calgary’s programming remains strong due to the changing marketplace, as more Calgarians consider entrepreneurship. In September alone, over 200 individuals participated in five virtual events across industries and business readiness levels. We are able to service this demand using online tools, and though it required adjustment, we are now able to handle what is required from the community.



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Finally, the need to amplify the size and impact of the innovation economy as a driver of new jobs and prosperity is at an all time high. The “collaborate first” approach of Platform Calgary has allowed us to work with many more partners, and ultimately we should be in a position to significantly stimulate the creation and growth of hundreds of tech startups. This work is less about meeting demand, and is more about creating new demand. Investment is required to get the results our economy needs.