

CIVIC PARTNER 2020 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.

2020 City Investment

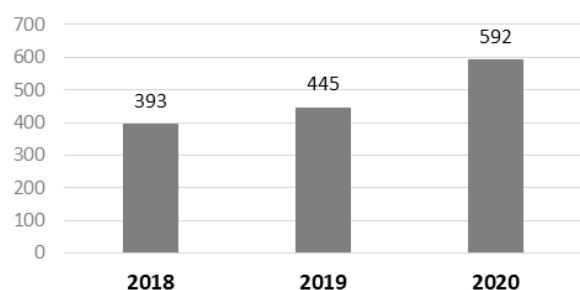
Operating Grant: \$824,058

Economic Resiliency Fund: \$30,000

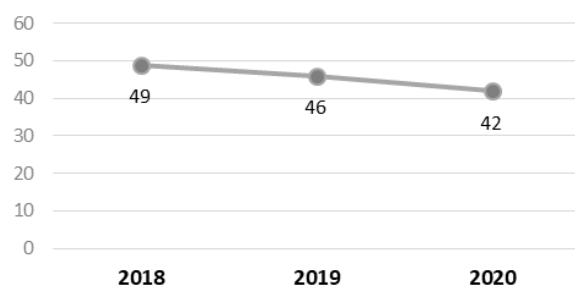
City owned asset? No

2020 Results

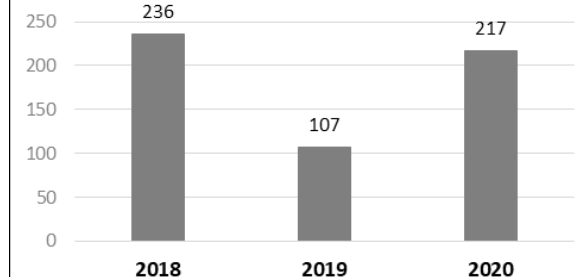
Clients Supported



Net Promoter Scale



New Hires by Startup Clients



The story behind the numbers

- Calgary lags other jurisdictions with respect to the number of high potential ventures per capita. Calgary needs at least a three 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.
- Platform Calgary's 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.
- New Hires data is extracted from our Annual Client Survey of which there were 115 respondents in 2018, 62 in 2019, and 50 for 2020. 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 2018, 1.7 for 2019, and 4.3 in 2020.

Current state 2021: COVID-19 impact

- Programs continue to be delivered virtually, allowing Platform to serve more companies in response to the community's need for innovators.
- Facility rentals have lowered considerably with 41 per cent vacancy at the Alistair Ross Technology Centre, compared to 24 per cent in February 2020

Service impact: Moderate (Some challenges on ability to achieve objectives. Some delay. Some aspects of the programs or service are only being met in part.)

Current service demand: Demand has increased notably.



CALGARY TECHNOLOGIES INC. (PLATFORM CALGARY) Civic Partner 2020 Audit Report

Organizational Structure:

Organizational Structure: City of Calgary Minority Owned Subsidiary

Fiscal Year: March 31, 2020

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.

2020 RESULTS

2. What key results did your organization achieve in 2020 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 592 clients in 2020.

- 302 clients participated in six programs helping new founders get started on their tech startup journey.
- 176 companies prepared to launch with guidance from four programs including Platform's flagship, Junction.
- 141 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.
- 41 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. In 2020, 50 clean tech companies were fostered.

3. **Briefly** describe how your key results in 2020 contributed to Council approved strategies (Select up to three that are most 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; Downtown Strategy; Calgary's Corporate Affordable Housing Strategy; Open Spaces Plan; Recreation Master Plan; Sport for Life Policy.

In support of *Calgary in the new economy: An economic strategy for Calgary*, Platform Calgary is driving towards the Innovation pillar outcomes:

1. increase the number of early stage and growth startups
2. increase access to funding in the ecosystem
3. increase the adoption of local technologies and accelerate the adoption of digital technologies by large enterprise
4. enhance awareness of Calgary's ecosystem at home and across North America

To achieve the first three outcomes, 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.

Platform Calgary Program Framework



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.

To achieve the fourth outcome, enhancing awareness of Calgary's ecosystem, Platform developed two event series to highlight our energy, talent and cohesion. The first event series, Virtual Passport, provides Canadian startups an inside look at a variety of innovation and tech communities around the world. Startups will gain insight and connections to the tech ecosystem in each location through a panel of local innovation and tech experts. This also serves to highlight Calgary in these other communities as a continuing source of innovation and talent.

The second series, Globalizing Calgary Technology pulls together panels of local innovators, global experts and tech leaders on how technology and innovation are

changing industries and creating new pathways for economic growth. This also serves as educational events for investors on the opportunities within Calgary's tech industry. Finally, the Platform Innovation Centre construction continued in partnership with CPA and CMLC. This hub will put Calgary on a map of global centres to highlight innovation and will feature a first of its kind pitch stage

4. Using the chart below, please report your 2020 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	2018 result	2019 result	2020 result	What story does this measure tell about your work?
How much did you do?	Number of clients served incl. INC members	393		592	Calgary lags other jurisdictions with respect to the number of high potential ventures per capita. Calgary needs at least a three 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.
How well did you do it?	NPS score	49	46	42	Platform Calgary's 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 (per responding client)	236	107	217	New Hires data is extracted from our Annual Client Survey of which there were 115 respondents in 2018, 62 in 2019, and 50 for 2020. 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 2018, 1.7 for 2019, and 4.3 in 2020.

5. Briefly describe the key impacts of COVID-19 on your operations in 2020.

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, 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.

During the shutdown in 2020, significant operating expenses related to the two facilities 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. As staff continue to work from home until wide scale public vaccination is available, Platform has concluded its lease at Hillier.

It is expected that 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 deferred capital projects planned and not started in 2020 due to lack of cash flow. Parking Lot repairs and landscaping projects are deferred until 2022. 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 was designed, changes to the building layout and functional elements have been taken into consideration to reduce the spread of COVID-19 and future viruses, as well as increased accessibility. 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.

6. Are there any program or service changes made in 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 and re-organized. Community engagement activities also pivoted to remote delivery. Internally, staff transitioned to a full work from home model. 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 fully virtually, and was able to include entrepreneurs from Banff, Edmonton, Lethbridge, and France! This expansion helps remove barriers to

entrepreneurship remote and rural founders experience, and enhances Calgary's reputation as an Alberta business hub. With businesses embracing virtual event formats, Platform effectively coordinated the Virtual Passport event, the Globalizing Calgary Tech speaker series, coaching and mentorship training, and stakeholder events with less cost and more accessibility.

7. Briefly describe any quality improvement changes or operational efficiencies your organization was able to achieve in 2020.

During COVID-19, leasing revenues from our ARTC facility were impacted. As a result, 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, and fully repealed in March 2021. 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 lost 25% of applicant tenant rental revenues.

8. Briefly describe some success stories in 2020 that demonstrates how your organization worked in partnership with other community, private or public organizations to achieve shared results for Calgary and Calgarians.

In July 2020, Platform Calgary and Startup Calgary collaboratively delivered the Startup Essentials programming, using Platform's virtual delivery methods and advisory experience. The two organizations also worked closely to support Launch Party and the StartAlberta Tech Awards. In fall of 2020, the two organizations recognized the operational efficiencies of merging. As of January 2021, The team from Startup Calgary integrated into Platform Calgary while maintaining the Startup Calgary brand and building on past programming. Startup Calgary clients participating in events in the future Platform Innovation Centre will create collisions for entrepreneurial growth.

RESOURCES

9. Please estimate how The City's operating funding was allocated in 2020. 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>

10. Did volunteers support your operations in 2020? If yes:

How many volunteers?	41(VMSA) 40(Junction) 10(Board)= 91
Estimated total hours provided by volunteers:	1025(VMSA) 150(Junction) 300(board)=1475

11. What resources or funding sources did your organization leverage to support operations in 2020?

Platform Calgary continued to leverage the City of Calgary's \$824,417 annual operating grant to secure Alberta Innovates funding by a factor of 4 to 1 in Fiscal Year 2020-21. A net positive cash flow of approximately \$300,000 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, entrepreneur mentors volunteer their time towards the Venture Mentoring Service of Alberta (VMSA) managed by Platform Calgary.

12. Did your organization receive any awards or recognition in 2020 that you want to highlight?

N/A

13. 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 2020 capital work, including specific lifecycle/maintenance projects or capital projects.

N/A

b) What funding did your organization leverage to support capital activities in 2020?

N/A

14. CURRENT STATE: COVID-19 MARCH 2021 UPDATE

The section focuses on the impact of COVID-19 in the month of March 2021, to provide a snapshot of your organization's current state.

Impact

Please choose the one option below that best describes the impact of COVID-19 on your programs or service in March 2021.

<input type="checkbox"/>	Negligible	Minimal to no impact on service. Service is currently operating close to normal.
<input type="checkbox"/>	Minor	Continuing to provide programs and services but some coping strategies required – able to be addressed with existing strategies and resources.
<input checked="" 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.
<input type="checkbox"/>	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)

Impact Description:

Please briefly describe how your programs and services were impacted in March 2021.

Platform's programming continues to be delivered virtually and staff continue to work from home. Demand for this programming has increased as corporations seek to adopt new technologies and unemployed Calgarians and students consider entrepreneurship to enter and re-enter the workforce.

The draft unaudited Statement of Operations for the fiscal year ended March 31, 2021 is provided as an attachment to this report. Revenues have decreased overall by \$192,000 from the previous fiscal year. Rentals revenue from the ARTC operation decreased by \$617,000 and Programs fees reduced by \$413,000 due to the effects of COVID-19. However some of these reductions were offset by increased government grants of \$713,000 versus the previous year. Expenses decreased by \$800,000 mainly due to a strict cost cutting approach during the pandemic. Overall, Platform is expecting a \$324,000 Net Loss for the fiscal year, prior to the audit being finalized.

In our facility rental service offering, demand has dipped considerably. ARTC building vacancy is 41%, down from its highest rate of 49% in July 2020. Comparatively in February 2020, vacancy was 24%.

To finance the Platform Innovation Centre capital project, Platform Calgary is undertaking a limited partnership investment strategy as well as donations. As a result of COVID, Platform

Calgary had to significantly reduce its expectations of philanthropic support and delayed the fundraising campaign. If financing 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:

What is the current demand for your service compared to typical demand?

<input type="checkbox"/>	Demand is steady, largely business as usual.
<input checked="" type="checkbox"/>	Demand has increased notably.
<input type="checkbox"/>	Demand has decreased notably.

