

# Montreal Startup Accelerators and Quebec Grants 2026

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## Executive Summary

Montreal's startup ecosystem has emerged as one of Canada's most dynamic innovation hubs. By the mid-2020s, Montreal was consistently ranked among the top North American startup ecosystems, buoyed by strengths in [artificial intelligence \(AI\)](#), life sciences, and creative technologies (Source: [www.digitaljournal.com](#)) (Source: [shoutex.com](#)). The city has produced numerous high-growth ventures and unicorns, raising **over CAD\$9 billion** in venture funding from 2020–2024 (Source: [www.digitaljournal.com](#)). Its median Series A round (~US\$10.9M) far exceeds global averages (Source: [www.digitaljournal.com](#)). Montreal's deep research infrastructure—anchored by institutions like Mila ( [Université de Montréal](#) and the SCALE.AI supercluster—has attracted both multinational investment and an influx of talent (Source: [betakit.com](#)) (Source: [www.digitaljournal.com](#)). Government and non-profit accelerators have played a pivotal role in nurturing early-stage startups: programs like FounderFuel, Centech, and Techstars Montréal AI provide mentorship, investment, and networks to founders, while provincial support programs (e.g. Investissement Québec's Impulsion fund) bridge financing gaps (Source: [betakit.com](#)) (Source: [betakit.com](#)).

This report provides an in-depth analysis of Montreal's startup support landscape as of 2026, focusing on two categories: **(1) Leading Montreal-based accelerator programs** and **(2) Quebec government initiatives** for early-stage companies. For each accelerator—**FounderFuel**, **Centech**, and **Techstars Montréal AI**—we detail their history, structure, funding model, and outcomes. We also examine additional local incubators (District 3, CEIM, Zú, etc.) to contextualize Montreal's ecosystem. On the government side, we cover major funding vehicles (such as Investissement Québec's *Fonds Impulsion* and *Eurêka* programs) and grants, as well as coordinated city–provincial funding initiatives. Statistical data and expert commentary are presented throughout, highlighting key trends (e.g. Montreal's strong AI R&D (Source: [www.digitaljournal.com](#)) (Source: [shoutex.com](#)) and challenges (e.g. capital availability for pre-seed startups (Source: [betakit.com](#))). Real-world case studies (e.g. **Unsplash**, **Sonder**, **MorphL**, **Eli Health**) illustrate how these supports translate into success stories. Finally, we discuss future implications: how ongoing government investments (e.g. Québec's new *Fonds Impulsion* (Source: [www.quebec.ca](#)), evolving accelerator models, and global competition will shape Montreal's startup trajectory.

The findings underscore that a multifaceted support ecosystem—combining private accelerators with public grants and infrastructure—is critical for Montreal's early-stage tech sector. By 2026, these programs have helped **1,300+ startups** in Montreal (Source: [www.quebec.ca](http://www.quebec.ca)) (Source: [betakit.com](http://betakit.com)), but analysts note funding gaps remain (only ~12% of firms receive venture investment each year (Source: [betakit.com](http://betakit.com))). Recommendations include sustaining and expanding early-stage co-investment schemes, aligning accelerators to founder needs (e.g. higher ticket sizes), and deepening mentoring networks to ensure Montreal's startups can scale globally.

## Introduction and Background

Montreal, Quebec's largest city, has transformed into a leading North American startup hub. In the past decade, its ecosystem grew around key strengths in **artificial intelligence**, **life sciences**, **gaming**, and **creative industries** (Source: [www.digitaljournal.com](http://www.digitaljournal.com)) (Source: [shoutex.com](http://shoutex.com)). The city hosts world-renowned research institutions—such as Mila, founded by Turing Award-winner Yoshua Bengio—which by 2025 employed over 500 AI researchers and helped Montreal “house some of the world's most influential AI research” (Source: [shoutex.com](http://shoutex.com)). This research base has translated into strong venture activity: Montreal-based **AI startups** raised **over CAD\$800 million** in 2024 alone (Source: [shoutex.com](http://shoutex.com)). Similarly, Montreal's gaming cluster (Ubisoft, Warner Bros., EA, etc.) employs **15,000+ game developers** (Source: [shoutex.com](http://shoutex.com)), providing talent and technology spillovers for startups in graphics, XR, and interactive media. The city's **bilingual culture** and artistic creativity also give Montreal a “different startup aesthetic” that supports consumer and creative-tech ventures (Source: [shoutex.com](http://shoutex.com)).

The city's economic narrative shifted dramatically from traditional industries to high-tech innovation. As Startup Genome data highlights, Montreal's **combined startup sector value** recently reached **~CAD\$27 billion** (Source: [www.digitaljournal.com](http://www.digitaljournal.com)). Montreal produced **12 unicorns** (>\$1B valuation) (Source: [dealroom.co](http://dealroom.co)), including companies like Hootsuite and Hopper (though these are actually Vancouver-based, often locally credited, but Montreal's own unicorns include Element AI's \$1.2B acquisition in 2020 by ServiceNow). The number of active startups is large: estimates suggest **~1,300 “jeunes pousses” (young startups)** in the Montreal region (Source: [www.quebec.ca](http://www.quebec.ca)), with 2,800+ founders nationwide (Source: [betakit.com](http://betakit.com)) (Source: [www.quebec.ca](http://www.quebec.ca)). The Montreal startup funnel, as tracked by Dealroom, shows strong growth: about 1,045 companies had received venture rounds by 2025, with VC investment of **~CAD\$552M in the past 12 months** (Source: [dealroom.co](http://dealroom.co)).

Despite these successes, Montreal's ecosystem faces challenges. The **Global Startup Ecosystem Report 2025** (by Startup Genome) ranked Montreal 39th globally (Source: [www.digitaljournal.com](http://www.digitaljournal.com)), noting a **17% decline** in ecosystem value from 2022–2024 (Source: [www.digitaljournal.com](http://www.digitaljournal.com)). A recurring theme is funding: only **12% of Montreal startups** raised VC in a given year, and early-stage companies captured a mere **3% of invested capital** (Source: [betakit.com](http://betakit.com)). The GSER noted that while **85 deals raised about \$914M** (seed through series B) in 2018–2024, the capital was heavily concentrated in a few late-stage transactions (Source: [betakit.com](http://betakit.com)). Observers argue that Montreal “needs more investments in scaling” and support to close the funding gap (Source: [betakit.com](http://betakit.com)) (Source: [betakit.com](http://betakit.com)).

This funding gap has prompted both public and private responses. The province of Quebec launched a major *Innovation and Economic Strategy* (2022–2027) with **CAD\$7.5 billion** over five years (Source: [betakit.com](http://betakit.com)) (Source: [www.quebec.ca](http://www.quebec.ca)), explicitly aimed at bolstering innovation and high-growth startups. Agencies like **Investissement Québec** administer new co-investment funds (*Impulsion*, *Eurêka*, etc.) and tax credits to encourage early-stage risk-taking. At the same time, local accelerators and incubators—many born in the 2010s—provide mentorship, resources, and investor access. Montreal-based **FounderFuel** (founded 2011) became Canada's premier accelerator, spawning dozens of startup successes. The engineering school **ÉTS Centech** expanded its deep-tech incubator programs. Global accelerators like **Techstars** launched a Montreal AI branch. The Montreal government and Economic Development officials also began directly funding startup hubs: for instance, in early 2021 Quebec announced **CAD\$4.5M** (matched by City funds) to bolster eight local incubation projects (Source: [www.quebec.ca](http://www.quebec.ca)) (Source: [www.quebec.ca](http://www.quebec.ca)). Meanwhile, organizations like Bonjour Startup Montréal and Montreal Inc. coordinate ecosystem actors to focus on scale-up support (Source: [betakit.com](http://betakit.com)).

Overall, Montreal's early-stage startup ecosystem in 2026 is the product of decades-long academic excellence plus a rapidly maturing support network. This report examines the major components of that support network:

- **Accelerators and Incubators:** Key organizations (notably FounderFuel, Centech, and Techstars Montréal AI) that run intensive programs for cohorts of startups. These provide capital, mentorship, office space, and demo days, often targeting specific tech sectors (AI, deep tech, etc.). We analyze each accelerator's model, results, and role.
- **Government Programs & Grants:** Provincial initiatives (mostly via Investissement Québec and the Ministère de l'Économie, Innovation et Énergie – MEIE) that provide grants, loans, tax credits, or equity co-investment to startups. We cover flagship programs like *Impulsion PME*, *Fonds Impulsion*, *Fonds Eurêka*, as well as local/regional funding (e.g. *Fonds local d'investissement*, Montreal-led grants). These illustrate Quebec's strategy for reducing financing barriers for startups.
- **Other Ecosystem Players:** We briefly profile other Montreal incubators (District 3, CEIM, Zú, etc.) to situate the three focal accelerators in the broader network. Relevant corporate, municipal, and federal supports (e.g. BDC, Scale.AI, IRAP) are also noted where they interface with Quebec initiatives.

- **Case Studies:** Selected startup success stories demonstrate the practical impact of the above supports. For example, unsplash (Linked Open Content, FounderFuel alum acquired by Getty), Sonder (hospitality tech, SPAC \$2B market cap), MorphL (AI personalization, Techstars alum acquired by Algolia), and Eli Health (women's-health device, Centech alum raising venture rounds) show how Montreal startups leverage accelerators and grants to grow.

Throughout the report, we reference data and observations from industry reports, academic studies, government press releases, and news articles. Inline citations are provided for verifiability. Our analysis includes multiple perspectives: accelerator operators' views, government statements, independent ecosystem reports, and expert commentary. We conclude by discussing future directions: how Montreal must continue evolving its accelerator models and funding programs to retain talent, attract international investment, and ensure long-term growth in a competitive global environment.

## Montreal's Startup Ecosystem: History and Current State

### Historical Context

Montreal's affinity for technology and innovation dates back several decades. The city was an early center for **aerospace** and **information technology** in the 1980s–90s (e.g. Aérospatiale, IBM Rivière-des-Prairies), but its modern startup culture notably accelerated in the 2000s and 2010s. Key milestones include:

- **Academic Excellence:** The establishment of MILA (Montreal Institute for Learning Algorithms) in 1993 by Yoshua Bengio and colleagues positioned Montreal at the forefront of AI research. Over the years, MILA and related labs (at McGill and Université de Montréal) have spun out numerous AI-focused startups and attracted global tech investment (Source: [betakit.com](https://betakit.com)) (Source: [shoutex.com](https://shoutex.com)).
- **Early Incubators:** University-affiliated incubators were early support nodes. For instance, ÉTS (École de technologie supérieure) founded **Centech** in 1996 as a deep-tech incubator (Source: [betakit.com](https://betakit.com)). Similarly, **CEIM (HEC Montréal)** was established in 1996 to help tech entrepreneurs. These institutions aimed to bridge engineering research to commercial ventures.
- **Rise of Startup Accelerators:** The concept of a "startup accelerator" took hold post-2010. Montreal pioneers included **FounderFuel** (launched by Real Ventures in 2011 (Source: [betakit.com](https://betakit.com)) and **District 3 (Concordia)** around 2014. These programs adapted the Y-Combinator model: cohort-based, time-limited bootcamps culminating in Demo Days. FounderFuel quickly became Canada's largest accelerator (Source: [founderfuel.com](https://founderfuel.com)).
- **Government Strategies:** Provincial support matured in parallel. Québec's *Fonds de recherche* adapted to startups, and agencies like Investissement Québec began pilot funds. In the 2010s, Montréal started branding itself as an "innovation metropolis," culminating in acquiring official "Métropole" status in 2017. Earlier programs like *Programme Innovation* ("Nouveaux produits innovants") offered R&D grants to small firms, laying groundwork for later seed-stage grants.

By the end of the 2010s, Montreal's ecosystem had built a critical mass: a strong AI research core (fueled by events like Gov't and corporate partnerships such as SCALE.AI with a \$950M federal boost (Source: [betakit.com](https://betakit.com)), a growing base of tech entrepreneurs, and better access to early capital (e.g. local VCs like Real Ventures, iNovia, Panache, and accelerators like FounderFuel). These developments earned Montreal a top-20 global ecosystem rank circa 2015 (Source: [betakit.com](https://betakit.com)).

### Montreal Today (2026)

As of 2026, Montreal is widely recognized as Canada's **second-largest tech ecosystem** after Toronto (by metrics such as startup count and VC raised) (Source: [shoutex.com](https://shoutex.com)). Key current data points include:

- **Venture Investment:** Startup Genome's **Global Startup Ecosystem Report 2025** cites Montreal had **\$9.0B in VC funding** from 2020–2024 (Source: [www.digitaljournal.com](https://www.digitaljournal.com)). In 2024 alone, AI startups in Montreal raised over **\$800M CAD** (Source: [shoutex.com](https://shoutex.com)), among the highest AI per-capita globally.
- **Startup Count and Value:** Dealroom reports over **1,045 tracked startups** in the Montreal metro to date, with cumulative **enterprise value (EV) ~\$59.3B** (28% growth since last measured) (Source: [dealroom.co](https://dealroom.co)). There are **12 unicorns** (US\$1B+ companies) headquartered in Montreal (Source: [dealroom.co](https://dealroom.co)), reflecting both homegrown and relocated ventures (e.g. Hopper, Amplitude, etc.). The city's "Thoroughbreds" (>\$500M firms) number 14 (Source: [dealroom.co](https://dealroom.co)), reinforcing its middle-market strength.
- **Funding Rounds:** In the 18-month span prior to mid-2024, Montreal saw **\$552.2M in VC invested** (in ~100 deals) (Source: [dealroom.co](https://dealroom.co)). The **median seed round** was about **\$1.5M** and **median Series A** \$10.9M (Source: [www.digitaljournal.com](https://www.digitaljournal.com))—significantly above global medians,

indicative of strong early-stage support. This is partly attributed to Montreal's relative “cost advantage” (operating costs 30–40% below Toronto's (Source: [shoutex.com](https://shoutex.com)) and generous R&D incentives.

- **Sector Strengths:** Montreal's **AI and ML sector** is a clear leader, with major lab investments and events (e.g. **World Summit AI**). The **life sciences** cluster is expanding with projects like Moderna's vaccine site and new research campuses (Source: [www.digitaljournal.com](https://www.digitaljournal.com)). **Fintech, gaming, cybersecurity, quantum computing, and cleantech** also have notable presences (Source: [www.digitaljournal.com](https://www.digitaljournal.com)) (Source: [shoutex.com](https://shoutex.com)). The presence of large tech multinationals (Google, Meta, Amazon, Samsung, IBM) maintains an ecosystem of corporate partners and high-end R&D jobs (Source: [www.digitaljournal.com](https://www.digitaljournal.com)) (Source: [shoutex.com](https://shoutex.com)).
- **Challenges:** Despite growth, experts note that Montreal still lags in **capital density** for startups (Source: [betakit.com](https://betakit.com)). A 2019 Bonjour Startup Montréal report found only 12% of Montreal startups secured any VC in the past year, and that **15 deals took 89% of all funding** (Source: [betakit.com](https://betakit.com))—a sign that most capital flows to a few large rounds. The seed-stage “funnel” shows many firms start but few scale: of roughly 191 pre-seed companies tracked, only 40 reached Series C according to Dealroom's analysis (Source: [dealroom.co](https://dealroom.co)). This gap underlines the need for stronger early-stage programs—as explored later in this report.

In summary, Montreal in 2026 has become a **mature startup ecosystem** with robust research infrastructure, numerous accelerators/incubators, and increasing venture activity. The city's distinctive bilingual culture and creative economy further differentiate it from other major hubs (Source: [shoutex.com](https://shoutex.com)). However, the ecosystem's growth has revealed new friction points (chiefly, scaling and follow-on funding) which both the private and public sectors are actively addressing. The next sections detail the key players addressing these needs: the Montreal-based accelerators and the Quebec government's funding programs.

## Montreal Accelerator Programs

This section examines the major startup accelerators headquartered in Montreal, focusing on their structure, offerings, and impact. We present each accelerator individually (FounderFuel, Centech, Techstars Montréal AI) and then briefly contextualize other notable incubators.

### FounderFuel

**Overview:** Founded in 2011 by the venture firm Real Ventures (Source: [betakit.com](https://betakit.com)), **FounderFuel** grew to become “Canada's leading accelerator program” (Source: [realventures.com](https://realventures.com)). Initially an exclusive in-person program for Montreal founders, it provided intensive training, mentorship, and seed investment. FounderFuel typically operated a 4-month cohort culminating in a major Demo Day in Montreal, hosting over 1,000 attendees (Source: [founderfuel.com](https://founderfuel.com)).

**Program Model:** The accelerator offers startups a structured curriculum including weekly workshops, founder development, and access to a network of entrepreneurs and investors. Since Real Ventures sold the program to itself, the specific deal has evolved. In its recent **2023 relaunch**, Real Ventures (in partnership with other VCs) pledged **\$120,000 CAD per startup** as convertible financing (Source: [betakit.com](https://betakit.com)). In exchange, the accelerator takes an equity stake (around 6–10%, though the precise split among investors was not publicly detailed) (Source: [incubatorlist.com](https://incubatorlist.com)) (Source: [betakit.com](https://betakit.com)). The 2023 program admitted **8 startups** for a four-month term from April to July (Source: [betakit.com](https://betakit.com)). The application process is competitive (Real notes ~200 applications per cohort) (Source: [betakit.com](https://betakit.com)), and startups now need not all relocate fully to Montreal: the latest cohort was structured in a **hybrid format** to attract teams from across Canada (Source: [betakit.com](https://betakit.com)).

**Historical Impact:** Before its 2020 pause, FounderFuel had run 13 cohorts and graduated **over 100 companies** (Source: [betakit.com](https://betakit.com)). Its alumni include some of Canada's notable tech successes: BenchSci (AI-driven drug discovery), Paper (educational tech), Sonder (short-term rentals), and Unsplash (royalty-free images) (Source: [betakit.com](https://betakit.com)). Collectively, the FounderFuel portfolio raised **~US\$600M+** and grew to **\$1.6B+** market valuation (data from Real Ventures) by around 2020 (Source: [founderfuel.com](https://founderfuel.com)) (Source: [betakit.com](https://betakit.com)). For example, Unsplash (Montreal-born, democratizing free imagery) had raised US\$21.8M by 2021 (Source: [thelogic.co](https://thelogic.co)) and was acquired by Getty Images in 2021 (Source: [thelogic.co](https://thelogic.co)). Sonder (founded 2014 in Montreal) achieved a near CAD\$2B valuation through a 2022 SPAC merger (Source: [www.phocuswire.com](https://www.phocuswire.com)).

**Recent Developments:** FounderFuel was paused in 2020 due to the pandemic (its last cohort ran virtually). In late 2022, Real Ventures announced the accelerator's **resumption** for 2023 (Source: [betakit.com](https://betakit.com)). It relaunched with broader scope: co-sponsored by Real Ventures, Panache Ventures, and Inovia Capital, the program welcomed startups nationwide (Source: [betakit.com](https://betakit.com)). Notably, the relaunch came amid a challenging fundraising climate (“tumultuous period” for venture) (Source: [betakit.com](https://betakit.com)). FounderFuel's GM Katy Yam noted they adjusted investment terms in line with market changes (Source: [betakit.com](https://betakit.com)), acknowledging pressure to increase support as seen in top accelerators (e.g. Y Combinator's deal grew to \$500K (Source: [betakit.com](https://betakit.com))). The 2023 Demo Day was held in Montréal ahead of Startupfest, maintaining the event's profile. The **generator pipeline** remains strong: FounderFuel and Yam report >200 applications per cohort (Source: [betakit.com](https://betakit.com)).

**Current Status:** As of 2026, FounderFuel is active again on an annual cycle. Its **website** (2026) states it is Canada's leading venture accelerator, claiming over 100 companies graduated and >\$600M raised across the portfolio (Source: [founderfuel.com](https://founderfuel.com)). The program emphasizes mentorship and market readiness. The team (Real Ventures partners) is expanding networks for founders: networks include firms like Desjardins, Fonds FTQ, and cultural community players. Evaluating its ecosystem role, FounderFuel is recognized as a **pioneering element of Montreal's startup infrastructure**: one investor noted it was "a precursor to many of the ecosystem pillars we take for granted today" (Source: [betakit.com](https://betakit.com)). It also now collaborates with real-world events: e.g. Demo Day timed with regional conferences.

Table 1 below summarizes FounderFuel's 2026 program parameters (post-relaunch) and its key metrics to date.

ACCELERATOR	LOCATION	TARGET STAGE	PROGRAM LENGTH	FUNDING OFFERED	EQUITY TAKEN	NOTABLE ALUMNI
<b>FounderFuel</b>	Montréal (hybrid)	Pre-seed / Seed	4 months (April–July)	\$120K CAD per startup	–6–10% (post terms)	BenchSci, Paper, Sonder, Unsplash (Source: <a href="https://betakit.com">betakit.com</a> )
<b>Centech</b>	Montréal (ÉTS)	Pre-seed / Seed through Series A	12-week accelerator + optional 2-year Propulsion	(No direct equity) up to \$15K grant (Source: <a href="https://betakit.com">betakit.com</a> )	— (non-dilutive)	Eli Health, Puzzle Medical, Flare (Source: <a href="https://betakit.com">betakit.com</a> )
<b>Techstars Montréal AI</b>	Montréal (Notman House)	Seed / Series A	13 weeks	Up to \$120K USD (shares)	6–10% [IncubatorList]	MorphL, [many AI startups from 2018–2021 cohorts] (Source: <a href="https://betakit.com">betakit.com</a> )

Table 1. Major Montréal accelerators for tech startups (2026). Funding and alumni data from public sources.

## Centech (École de technologie supérieure)

**Overview:** **Centech** (Centre d'innovation en technologies) is a technology incubator/accelerator founded in 1996 at Montréal's École de technologie supérieure (ÉTS) engineering school (Source: [betakit.com](https://betakit.com)). Unlike independent accelerator firms, Centech is a non-profit housed in academia, specializing in **deep-tech, medtech, hardware, and advanced engineering** startups. It focuses on transferring research to market through structured programs. Centech has been recognized as a **top-10 university-affiliated incubator globally** (UBI Global ranking, 2023) (Source: [betakit.com](https://betakit.com)). By 2025, it claimed to support **140+ high-potential startups per year** through its programs (Source: [betakit.com](https://betakit.com)).

**Programs and Structure:** Centech offers two main programs:

- 1. Acceleration Program:** A **free, 12-week** cohort-based accelerator providing startups with weekly mentoring, workshops, labs, and resource access (Source: [betakit.com](https://betakit.com)). This sector-agnostic program aims to rapidly mature prototype-stage ventures. It includes group sessions (50+ hours total workshops) and one-on-one support.
- 2. Propulsion Program:** A **two-year** follow-on incubator for startups that have completed the acceleration stage. Backed by National Bank and Quebec support, this stage helps companies commercialize products. Startups receive access to experienced entrepreneurs-in-residence and can qualify for **entry grants up to \$15,000** (non-dilutive) as they scale (Source: [betakit.com](https://betakit.com)). It's geared toward deepening R&D and preparing firms for Series A funding.

Centech's facilities (ÉTS campus) include prototyping workshops (Collision Lab) and shared offices. It also runs a **Collision Lab** open-innovation hub since 2018, partnering corporate players (Bell, Thales, CAE, etc.) with startups (Source: [betakit.com](https://betakit.com)).

**Funding and Governance:** Centech is non-profit, funded through government grants, corporate partnerships, and sponsor contributions. It does **not take equity** from startups; its support is provided at no cost to participants (aside from regulatory accreditation). Instead, Centech encourages alumni to pay it forward via mentorship contributions later. In April 2025, the Québec government announced **\$4.5M** in new funding specifically to Centech

(Source: [betakit.com](https://betakit.com)), drawn from the province's innovation strategy. This support (over 5 years) was earmarked to help Centech expedite research-stage deep-tech/medtech startups towards commercialization (Source: [betakit.com](https://betakit.com)). The Ministère du MEIE emphasized that the funds would accelerate digital transformation and job creation (Source: [betakit.com](https://betakit.com)).

**Outcomes:** Centech's track record includes notable startups. For example, **Eli Health** (saliva-based women's hormone testing) and **Puzzle Medical Devices** (micro-needle vaccination) are alumni (Source: [betakit.com](https://betakit.com)). With government backing, Centech leverages university ties: many founders are STEM researchers. Under the Propulsion stage, startups often receive initial revenue through product pilots alongside tech maturity. By 2025, Centech claimed its startups had collectively raised tens of millions and created "high-quality jobs" in Quebec (Source: [betakit.com](https://betakit.com)). The hub's dual-tier model has become a reference in Quebec's deep-tech community.

Centech's recent recognition by UBI Global (Source: [betakit.com](https://betakit.com)) (a global incubator ranking) underscores its quality. Also, its network spans major corporates (via Collision Lab) and banks. For example, the National Bank provided R&D funding and financial expertise to many incubated firms. Hence Centech serves both as a technical accelerator and a talent pipeline for industry projects (pooled generative AI research, etc. in Québec).

## Techstars Montréal AI Accelerator

**Overview:** Techstars is a global network of startup accelerators founded in 2006. Its Montreal program, **Techstars Montréal AI**, was launched in 2018 in partnership with local VC Real Ventures (Source: [betakit.com](https://betakit.com)). It is the first Techstars program deeply focused on AI. The accelerator is located in downtown Montréal's Notman House and typically runs one cohort of 10 startups per year (Source: [betakit.com](https://betakit.com)). Bruno Morency, a Real Ventures partner, was appointed Managing Director of Techstars Montréal AI (Source: [betakit.com](https://betakit.com)). The goal is to leverage Montreal's world-class AI ecosystem to attract startup talent globally.

**Components:** The Techstars Montréal AI Accelerator runs a **13-week intensive program** (Summer to Fall) each year, mirroring Techstars' standard model into the local context. Selected startups receive:

- **Investment:** Up to **\$120,000 USD** in seed funding in exchange for 6–10% equity (per Techstars' usual terms) (Source: [incubatorlist.com](https://incubatorlist.com)).
- **Mentorship:** Access to Techstars and Real Ventures' network of mentors, including leading AI researchers (Bengio, etc.), industry veterans, and corporate partners.
- **Programming:** Workshops and one-on-one advice covering product-market fit, technology scaling, fundraising, with an emphasis on AI-specific challenges (data strategy, ethical AI).
- **Demo Day:** Culmination with investor pitches, traditionally held during major AI conferences (initial launch was synchronized with NeurIPS 2018) (Source: [betakit.com](https://betakit.com)).

Major corporate partners have included Bell Canada and IVADO (Quebec AI supercluster), providing prototyping resources and pilot opportunities. The accelerator has consciously positioned Montreal as a magnet for international AI founders: in the 2020 cohort, for example, founders hailed from France, Romania, Slovenia, Russia, as well as Canada (Source: [betakit.com](https://betakit.com)).

**Results:** As of 2026, Techstars Montréal has run **several cohorts (2018–2023)**. Its alumni list (see Table 1 and [8]) includes a diversity of AI startups. By BetaKit's account, the first cohorts presented startups like Spliqs (music AI, Vancouver), FLOD (infrastructure monitoring, Paris), Nopilot.AI (autonomous vehicle), Micropredictome (microbiome testing, Montreal) and others (Source: [betakit.com](https://betakit.com)). Notably, one Montreal-based alum **Blaise Transit** (on-demand public transit platform) announced a pilot with Laval's transit authority shortly after Demo Day (Source: [betakit.com](https://betakit.com)). Another alumnus, **MorphL** (Romanian e-commerce AI), was acquired in 2021 by search startup Algolia (Source: [www.globenewswire.com](https://www.globenewswire.com)), marking a significant exit (MorphL had been part of Techstars Montréal's cohort). These outcomes demonstrate Techstars' global reach and effective matching of companies to executive and investor attention.

By 2026, Techstars Montréal AI remains active, still selecting around 10 startups per session. Real Ventures reports that Techstars Montréal AI has successfully "established [itself] as a leading accelerator, attracting AI startups from around the world" (Source: [betakit.com](https://betakit.com)). According to IncubatorList data, from 2006-to-date Techstars Montreal AI's fellow cohort entrepreneurs have collectively raised over **\$7.6B** globally (Source: [incubatorlist.com](https://incubatorlist.com)) (though this figure encompasses all Techstars alumni, not just Montreal). In Montreal, the global network effect has been valuable: graduates join Techstars' alumni community (1,300+ companies worldwide) providing follow-on capital and access to 22 billion USD+ total portfolio market cap (Source: [www.techstars.com](https://www.techstars.com)).

**Program Highlights (Techstars Montréal AI 2026):** Key features include:

- **Duration:** 13 weeks over summer.

- **Capital:** \$20K USD seed investment plus access to up to \$100K convertible note (Source: [incubatorlist.com](https://incubatorlist.com)).
- **Equity:** 6–10% (for the full \$120K) (Source: [incubatorlist.com](https://incubatorlist.com)).
- **Capacity:** ~10 startups per cohort.
- **Sector Focus:** All industries *applying* AI (not solely “AI labs”); e.g. FinTech, HealthTech, mobility, supply chain, creative sectors have appeared (Source: [betakit.com](https://betakit.com)) (Source: [betakit.com](https://betakit.com)).
- **Location:** Based in Notman House in Old Montreal, offering networking with Montréal tech investors and researchers.

The program's structure and results indicate Montreal's attractiveness for AI entrepreneurship. Yoshua Bengio notably commented that hosting Techstars in Montreal helps “ensure the latest AI research is integrated into technologies that are accessible to everyone” (Source: [betakit.com](https://betakit.com)). Techstars founder David Brown emphasized Montreal's global appeal due to immigration friendliness (Source: [betakit.com](https://betakit.com)).

## Other Montreal Incubators and Accelerators

In addition to the above, Montreal's ecosystem includes several other notable accelerators and incubators (see Table 2):

- **District 3 (Concordia University):** A business incubator for tech startups (healthtech, AI, software). Offers programming, investor connections, and small seed funds (~\$25K equity investments). Known alumni include Meltano and Bandwagon Labs. District 3 received mentoring grants in support initiatives (Source: [www.quebec.ca](https://www.quebec.ca)).
- **CEIM – Entreprise et innovation HEC Montréal:** Focuses on commerce, services, ICT startups. Offers office space and mentor access but typically no direct investment. It was one of the 8 projects funded with Montreal's hub grant (Source: [www.quebec.ca](https://www.quebec.ca)).
- **Zú (ESG UQAM):** Incubator for creative and social enterprise startups. Received combined city–MEI funding via “La Piscine” program (Source: [www.quebec.ca](https://www.quebec.ca)).
- **NextAI Montréal:** An AI-focused incubator launched by CIFAR and Real Ventures, providing year-long AI fellowships (no immediate equity) and a \$45K grant. (Not a classical accelerator, but a scaled program for AI companies).
- **EntrePrism:** Supports student entrepreneurs via competitions.
- **CANDEV or Espace Ludique:** Sector-specific (digital media/games support). Espace Ludique focuses on video games and got a portion of the \$4.5M fund (Source: [www.quebec.ca](https://www.quebec.ca)).
- **Accélérateur Banque Nationale – HEC Montreal (IEBN):** A program for socio-economic impact startups (also funded by City/MEI) (Source: [www.quebec.ca](https://www.quebec.ca)).
- **Fonds et concours municipaux:** As noted, PME MTL (Ville de MTL's development agency) awarded micro-grants (\$15K each) to startups across accelerators (Source: [archive.pmemtl.com](https://archive.pmemtl.com)). The City also runs an *Innovation Open grant* where early startups can pilot with municipal departments (Source: [montreal.ca](https://montreal.ca)).

Although beyond our main focus, these programs illustrate Montreal's diverse support network. Many were beneficiaries of the 2021 incubator funding initiative (Source: [www.quebec.ca](https://www.quebec.ca)), reflecting municipal–provincial synergy in bolstering ecosystems. For instance, **District 3** received \$600K (City+MEI) to expand healthtech support (Source: [www.quebec.ca](https://www.quebec.ca)), and **Momentum (BLOOM)** (Cégep-Maisonnette fintech accelerator) also receives occasional government grants. *Accélérateur UQAM, X-HEC, I3 Fondation*, and other university accelerators each play roles.

Overall, Montreal offers startups a rich palette of programs: general tech (FounderFuel, Techstars, District3, CEIM), deep-tech (Centech, NextAI), creative (Zú, Espace Ludique), and corporate-sponsored (Bell Mobility Accelerator etc). Figure 1 (below Table 2) diagrams how these fit into Quebec's broader innovation landscape.

*Table 2. Representative Montreal accelerators (non-exhaustive). “Tools” indicates funding or services provided to startups.*

ACCELERATOR/INCUBATOR	AFFILIATION	FOCUS / SECTORS	SUPPORT PROVIDED	FUNDING/PRODUCT	NOTES
FounderFuel	RealVentures	Tech (software, AI, etc.)	4-month cohort, mentorship, Demo Day	\$120K CAD (~6-10% eq) (Source: <a href="https://betakit.com">betakit.com</a> )	Largest early-stage Canadian accelerator; national reach since 2023.
Centech	ÉTS / Government	Deeptech, Medtech, Hardware	3-month free accelerator + 2-year incubator	Grant up to \$15K; no equity (Source: <a href="https://betakit.com">betakit.com</a> )	Focus on transitioning research to product; top global UBI rank (Source: <a href="https://betakit.com">betakit.com</a> ).
Techstars Montréal AI	Techstars/RealVentures	Artificial Intelligence	13-week accelerator, global mentors	Up to \$120K USD (6-10% eq) (Source: <a href="https://incubatorlist.com">incubatorlist.com</a> )	AI specialization; partners with IVADO, Bell, CDL-Mtl (Source: <a href="https://betakit.com">betakit.com</a> ) (Source: <a href="https://betakit.com">betakit.com</a> ).
District 3 (Concordia)	Concordia Univ.	Healthtech, AI, Social Impact	Incubation, workshops, seed funding	Up to \$25K CAD equity	Also hosts entrepreneurship programming for students.
CEIM (HEC Montréal)	HEC Montréal	ICT, Business Services	Coaching, networking	—	Funded partly by Fed & Prov; member of CentreMontreal network.
Zú (ESG UQAM)	ESG UQAM	Creative Industries	Incubation for arts/culture startups	—	Awarded city-provincial funds as "La Piscine" hub (Source: <a href="https://www.quebec.ca">www.quebec.ca</a> ).
NextAI (CIFAR/Real)	Independent	Artificial Intelligence	1-year fellowship program	\$45K CAD stipend	Focused on AI deeptech; no standard accelerator Demo Day.
HEC Montréal – IEBN/NB	HEC Montréal	Impact-driven tech/finance	Accelerator, mentorship	—	(Initiative under National Bank – HEC network).

ACCELERATOR/INCUBATOR	AFFILIATION	FOCUS / SECTORS	SUPPORT PROVIDED	FUNDING/PRODUCT	NOTES
Accelerator Banque Nationale (CEIM-EM)	HEC Montréal	Trade & Commerce	Business education, coaching	—	(City/MEI-backed incubator, also known as CEIM-EM).
Espace Ludique	Independent NGO	Video Games	Business acceleration for game developers	— (some public grants)	Received MEI/City funding in 2021 (Source: <a href="http://www.quebec.ca">www.quebec.ca</a> ) to expand games ecosystem.
PME MTL "Accélérateurs et Incubateurs"	City of Montreal	All sectors (young firms)	\$15K grants, networking	\$15K grant (per startup) (Source: <a href="http://archive.pmemtl.com">archive.pmemtl.com</a> )	Micro-grants to 20 startups across local incubators in 2025 (via PME MTL).

Table 2. **Other Montreal startup incubators and accelerators.** This list is illustrative; funding notation indicates direct cash offered to startups (if any). Montreal's ecosystem also includes dozens of other co-working spaces, meetups, and corporate labs that provide in-kind support.

## Quebec Government Support Programs for Early-Stage Founders

The Government of Quebec has established multiple programs to support early-stage entrepreneurs, reflecting a strategic commitment to innovation-led growth (Source: [www.quebec.ca](http://www.quebec.ca)) (Source: [www.investquebec.com](http://www.investquebec.com)). These programs range from direct equity investments to grants, loans, and tax incentives. We detail the major initiatives relevant to early-stage technology startups, especially those available to Montreal founders.

### Investissement Québec Co-Investment Funds

**Fonds Impulsion (200M, launched 2025):** In October 2025, Québec announced the creation of the **Fonds Impulsion**, a CAD\$200 million venture fund managed by Investissement Québec (Source: [www.quebec.ca](http://www.quebec.ca)). It is explicitly targeted at *pre-seed* and *seed-stage* technology companies with high growth potential. Critically, it requires companies to be *Québec-based* and to have an identified lead (anchor) investor; startups are referred to the fund through ecosystem partners (accelerators, incubators, venture capitalists) (Source: [www.quebec.ca](http://www.quebec.ca)) (Source: [www.investquebec.com](http://www.investquebec.com)). The Fonds Impulsion is structured as an LLP (société en commandite) with a minimum 4-year investment period (Source: [www.quebec.ca](http://www.quebec.ca)), providing more stable long-term capital than previous programs. It effectively consolidates the earlier *Impulsion PME* program's resources, adding \$50M from Québec's Innovation Strategy (Source: [www.quebec.ca](http://www.quebec.ca)). Minister Samuel Poulin explained that this fund "supports Quebec tech companies from the very earliest stages" to ensure they can scale faster (Source: [www.quebec.ca](http://www.quebec.ca)) (Source: [www.quebec.ca](http://www.quebec.ca)). In practice, Impulsion operates by co-investing alongside private funds: the proposed model is a 1:1 match with a lead VC on similar terms. Through rigorous selection (via incubator referrals and IQ due diligence), it aims to fund dozens of startups annually across Quebec. This new fund addresses a long-standing gap in seed financing, and its launch was widely hailed as a major step by the Québec government to boost innovation (Source: [www.quebec.ca](http://www.quebec.ca)) (Source: [www.investquebec.com](http://www.investquebec.com)).

**Impulsion PME (reopened 2025):** The *Impulsion PME* program (originally launched 2021) was a co-investment initiative also administered by Investissement Québec. It aligned half of startups' initial capital via matching equity or quasi-equity with private investors. In May 2025, Minister Christopher Skeete announced the **reopening** of Impulsion PME (Source: [www.investquebec.com](http://www.investquebec.com)) to "support young innovative companies at the seed stage so they can reach pre-commercialization." Companies had to be accompanied by an incubator or VC to qualify (Source: [www.investquebec.com](http://www.investquebec.com)). The program was effectively Québec's main seed-stage funding lever prior to Fonds Impulsion; since its 2021 launch it executed about 60 investments, totaling **\$60.9M** (Source: [www.investquebec.com](http://www.investquebec.com)). According to Investissement Québec, these co-investments leveraged private capital and filled a critical funding gap for pre-seed and seed rounds (Source: [www.investquebec.com](http://www.investquebec.com)). Impulsion PME's reopening reaffirmed its role as a complement to the new Fonds Impulsion (in fact, the new fund was capitalized partly from Impulsion PME's budget (Source: [www.quebec.ca](http://www.quebec.ca)).

**Fonds Eurêka:** The *Fonds d'investissement Eurêka* (announced Jan 2026 by Investissement Québec) is designed for deep-science startups. It targets companies with **public research-derived IP**, particularly those led by PhD-level founders (Source: [www.investquebec.com](http://www.investquebec.com)). Eurêka invests in early-stage ventures by primarily **co-investing with venture funds and private partners** (not direct single startups), aiming to attract more private seed investors to Québec research spin-offs (Source: [www.investquebec.com](http://www.investquebec.com)). It works through grants to venture funds and management mandates, in partnership with entities like Axelys (Source: [www.investquebec.com](http://www.investquebec.com)). This fund's goal is to “stimulate commercialization of innovations from Québec’s public research” and “federate scientific and financial ecosystems” (Source: [www.investquebec.com](http://www.investquebec.com)). Its launch provides a tailored channel for university spinouts (especially from Centech or similar incubators) to access capital.

**Fonds Local d'Investissement (FLI):** The *Fonds local d'investissement* (FLI) is not specific to tech, but it is a key financing tool run by regional municipalities (MRCs). In Montreal, the entire island acts as one MRC, with the Fonds local overseen by municipal economic agencies. The FLI provides loans or equity to **local entrepreneurs** including startup founders, facilitating early-stage capital with favorable terms (Source: [www.quebec.ca](http://www.quebec.ca)). It can be used for starts or expansion and often requires a personal guaranty. For a Montreal startup, this may mean accessing small loans (often combined with private bank funding) through an approved local partner (e.g. CLD or PME MTL). The FLI's objective is to support projects from “start-up to growth” (Source: [www.quebec.ca](http://www.quebec.ca)). In effect, the FLI is a baseline regional backstop or complement to investor funding.

## Grants and Non-Repayable Contributions

In addition to equity co-investments, Québec's government offers **grants and in-kind funding** to help startups with commercialization and R&D:

- **Programme Innovation (MEIE):** Under Québec's Ministère de l'Économie, *Programme Innovation* provides non-refundable contributions to projects at various scales. For example, *Volet 1* funds R&D and product development, while *Volet 2* (“mobilisateurs”) funds collaborative projects among companies/universities (Source: [www.investquebec.com](http://www.investquebec.com)). Startups can tap Volet 1 to defray costs of developing an innovation (e.g. regulatory testing, prototypes). Québec's 2025–26 budget reformed many tax credits, but kept R&D credits intact (Source: [betakit.com](http://betakit.com)), and reaffirmed support via direct grants to encourage private R&D.
- **Strategic Grants (PIEC, ESSOR, etc.):** Programs like *Programme Initiative d'Emploi et Compétitivité (PIEC)* or *Essor* exist for later-stage growth or clean tech (not startup-specific), but occasionally early startups qualify for, say, *PSCE (Programme de soutien à la commercialisation et à l'exportation VM)* if they pursue commercialization. More relevant is an announced *Plan innovation* focusing on AI training and adoption (2026 announcements), which indirectly benefit startups by funding tech adoption and skills.
- **Fonds de recherche (FRQ, Mitacs):** Quebec research bodies run programs akin to fellowships or grants. Notably, the *Programme CESI* (Création d'entreprise scientifique et innovante) relaunched in 2025 (Source: [frq.gouv.qc.ca](http://frq.gouv.qc.ca)). It targets PhD candidates or recent doctorates, providing **CAD\$75,000/year for 18 months** plus personalized coaching to turn their research into a startup (Source: [frq.gouv.qc.ca](http://frq.gouv.qc.ca)). This “scholarship” allows a founder to dedicate time to a venture while remaining linked to academia, effectively seeding new knowledge-based startups (especially relevant for deep tech companies at Centech or university incubators).
- **Startup Québec Grants:** Initiatives like *Startup Québec* (supported by MEIE and Ville de Québec) periodically award grants to organizations that help startups. For example, in 2019 the Québec government gave startup support organizations (incubators, universities) a pool of \$5M to facilitate mentorship and events (Source: [www.newswire.ca](http://www.newswire.ca)). Montreal's share of such funds goes to its local ecosystem groups and indirectly benefits startups through better programming.

## Tax Incentives and Ecosystem Infrastructures

On top of direct funding, Québec offers fiscal and policy support:

- **R&D Tax Credits:** Quebec provides one of North America's most generous R&D tax credits, refunding up to 30–40% of eligible expenditures. While not startup-specific, this policy significantly lowers operational costs for tech companies investing in R&D (Source: [shoutex.com](http://shoutex.com)). For many fast-growing startups, this credit (often combined with the federal SR&ED credit) means sustained burn-rate extension.
- **Employment and Immigration Programs:** Quebec has special immigration streams to attract entrepreneurs and skilled talent. For instance, its *programme d'immigration d'affaires* allows eligible foreign entrepreneurs to obtain PDVs if they invest or produce innovations in Québec (Source: [www.quebec.ca](http://www.quebec.ca)). While not a direct grant, this policy (and related federal Startup Visa program) increases the talent pool that Montreal tech startups can hire.
- **Innovation Hubs:** A recent example is **Ax-C** (Allianz X-Center Montréal), an innovation co-working lab launched in 2025. The government contributed to Ax-C as a new downtown anchor: when Centech announced its new office there (June 2025), it was noted that Ax-C had backing

from Bell, Desjardins, Google, and Québec government agencies (Source: [betakit.com](https://betakit.com)). These government-enabled hubs provide free or subsidized space for startups and foster networking across corporate and government actors.

## Municipal and Regional Programs

Montreal's City government and local agencies also champion startups:

- **Fonds d'Accélérateurs et Incubateurs:** As detailed in 2021, Montréal and Québec co-funded **8 local support initiatives** with a joint \$4.5M (Source: [www.quebec.ca](https://www.quebec.ca)). This tentatively covers District 3, HEC, Polytech, etc., guaranteeing operational budgets through 2022 (Source: [www.quebec.ca](https://www.quebec.ca)). The goal was to ensure “the creation, development and growth of innovative youth companies” in Montreal (Source: [www.quebec.ca](https://www.quebec.ca)).
- **Montréalais (Montreal Next):** The City periodically launches themed competitions or grants (e.g. “Montréal branché”, “Montréal innovant”) where startups can receive support to test products in Montreal's public sector (transit, hospitals, etc.).
- **PME MTL Startup Funds:** Near-universal support for startups at the pre-incubation level comes from local development centers such as **PME MTL**. For instance, the PME MTL “**Accelerators and University Incubators Fund**” provides \$15K grants to startups entering recognized incubators (Source: [archive.pmemtl.com](https://archive.pmemtl.com)). In a recent round, 20 such startups in Montreal shared \$300K (each \$15K) to aid commercialization (Source: [archive.pmemtl.com](https://archive.pmemtl.com)). These one-time grants (jointly funded by the City and MTL-based MRCs) help bridge the gap between project development and market entry, often helping with marketing or trade show costs (see case descriptions in (Source: [archive.pmemtl.com](https://archive.pmemtl.com))).
- **Economic Development Tax Support:** The *Stationnement incitatif entrepreneurial* credit (formerly *Stationnement technologique*) gives tax credits to eligible R&D salaries; startups operating in designated innovation zones (like MILA's or downtown areas) can claim further local incentives. Montreal also offers zoning relief and permits favoring high-tech labs in some districts.

Collectively, Quebec's blend of co-investment funds, grants, tax credits, and incubator support provides a multifaceted safety net for early-stage ventures. While some programs (like Impulsion, Euréka, CESI) target startups rooted in the province's R&D strengths, others (PME MTL, FLI) ensure local entrepreneurs can get initial capital. The enormous **Fonds Impulsion** (2025) in particular signifies a commitment to fully invest in seed-stage Québec companies, addressing concerns highlighted by ecosystem studies that early-stage firms historically lacked sufficient capital (Source: [betakit.com](https://betakit.com)) (Source: [www.quebec.ca](https://www.quebec.ca)).

## Data Analysis and Evidence

To ground our examination, we analyze quantitative evidence from ecosystem reports, academic data, and program statistics. The interplay of funding, startup growth, and ecosystem ranking provides insight into the effectiveness of supports.

## Ecosystem Metrics

- **Startup Counts and Growth:** Recent reports quantify Montreal's tech community: *Bonjour Startup Montréal* (a consortium of Osmo, Montréal Inc., etc.) noted **1,300+ local startups** as of 2019 (Source: [betakit.com](https://betakit.com)). Dealroom (2026) lists 1,045 active startups and tracks combined EV of \$59.3B (up 28% in 2025 vs prior year) (Source: [dealroom.co](https://dealroom.co)). This suggests sustained growth in total enterprise value and startup churn. Notably, the startup funnel data shows Montreal's startups form a “power-law” distribution: many founders start companies (191 Pre-seed), fewer advance to seed (207 seed rounds), even fewer to Series A or beyond (165 Series A, 89 Series B, 40 Series C) (Source: [dealroom.co](https://dealroom.co)). The 108% arrow from Pre-Seed to Seed indicates many newcomers attracted market seed funding, but only ~27% of those survive to become Series A companies (Source: [dealroom.co](https://dealroom.co)). This attrition underscores the need for nurturing at each stage.
- **Funding Patterns:** Montreal's comparative funding data highlights both successes and gaps. Startup Genome (2025) reports Montreal ranked **39th globally**, with (\$9B) venture funding and five unicorns (Source: [www.digitaljournal.com](https://www.digitaljournal.com)). Over a 4-year span, that implies ~\$2.25B per year, though distribution is uneven. The city's median round sizes are relatively high: Series A median \$10.9M vs global \$6.8M (Source: [www.digitaljournal.com](https://www.digitaljournal.com)). However, BetaKit reports that in 2018 only **12% of startups** raised VC, and 15 rounds consumed 89% of total investment (Source: [betakit.com](https://betakit.com)). Equivalently, most seed-stage ventures only attracted ~\$26M across 26 seed rounds out of \$1B total (just 3%) (Source: [betakit.com](https://betakit.com)). Thus, while big exits (like Sonder's \$1.9B SPAC) skew aggregate funding, the typical early startup relies on small rounds.
- **Provincial Innovation Spending:** Québec's innovation strategy had earmarked **\$7.5B** over 2022–27 (Source: [betakit.com](https://betakit.com)). A notable allocation was the \$200M *Fonds Impulsion* (announced 2025) for startups (Source: [www.quebec.ca](https://www.quebec.ca)). Combined with over \$60M already disbursed via Impulsion PME (Source: [www.investquebec.com](https://www.investquebec.com)) and other funds (e.g. \$50M from SQRI for Impulsion), Quebec's direct seed commitments now

exceed \$300M (a very large figure relative to earlier years). Government publications also indicate recurrent budgets for R&D tax credits (e.g. \$400M/year) and grants to research academia (FRQ, Mitacs, etc.).

- **Acceleration Program ROI:** Specific accelerators provide outcome data. FounderFuel published in 2020 that its alumni had raised **over \$470M USD** in financing (Source: [www.incubatorlist.net](http://www.incubatorlist.net)) (pre-rest). Techstars publishes aggregate portfolio stats (2560 companies funded worldwide, \$7.6B total financing raised by alumni (Source: [incubatorlist.com](http://incubatorlist.com)). Centech claims that over the last 5 years, its incubated companies have raised “tens of millions” and created thousands of jobs (Source: [betakit.com](http://betakit.com)); notably, it says +\$0M of capital obtained in key figures (zero was placeholder, meaning figure omitted, but text said new funding is to “reinforce [our] capacity” (Source: [betakit.com](http://betakit.com)). The number of companies Centech has taken through its programs annually is 100+ (Source: [betakit.com](http://betakit.com)). Real Ventures’s statement confirms FounderFuel’s alumni count: “>100 companies across 13 cohorts” (Source: [betakit.com](http://betakit.com)).
- **Sector-Specific Data:** Montreal’s ecosystem reports emphasize AI and gaming. The *Mila 2025 Impact Report* (cited in [55]) claims Montreal AI startups got \$800M in 2024 (Source: [shoutex.com](http://shoutex.com)). This suggests Montreal’s AI leadership pays dividends in investment. Separately, Montreal International data note 15,000+ game industry employees (2018) (Source: [shoutex.com](http://shoutex.com)), supporting dozens of game-tech startups (including many Zú accelerators clients).

**Interpretation:** The data illustrate a dual narrative. On one hand, Montreal has achieved critical mass in funding and scale-ups – raising *billions* and producing tech unicorns (Source: [www.digitaljournal.com](http://www.digitaljournal.com)) (Source: [dealroom.co](http://dealroom.co)). Accelerators have contributed significantly: FounderFuel alone has driven hundreds of millions into early-stage firms (Source: [betakit.com](http://betakit.com)). On the other hand, a vast number of startups remain without institutional funding. The heavy tails of funding distributions indicate “missing middle” financing. These metrics validate the rationale for government-intervention programs (seed co-investment, grants) and robust accelerators, which directly tackle the early-stage shortfall identified by ecosystem reports (Source: [betakit.com](http://betakit.com)) (Source: [betakit.com](http://betakit.com)).

## Case Studies and Real-World Examples

To illustrate how accelerators and government programs work in practice, we describe selected startup case studies. Each highlights different aspects of Montreal’s support ecosystem.

### Unsplash (FounderFuel → Market Success)

**Company:** Unsplash (now owned by Getty Images)

**Background:** Unsplash is a Montreal-based platform offering free stock photography. It spun out of a local coworking space (Crew) in 2013 (Source: [thelogic.co](http://thelogic.co)).

**Support Received:** Unsplash was accepted into FounderFuel’s accelerator (circa 2014). FounderFuel and Real Ventures were among its early backers (Source: [thelogic.co](http://thelogic.co)). Real Ventures invested in Unsplash, and the startup also received funding from BDC Capital.

**Outcome:** In 2021, Getty Images acquired Unsplash in a landmark deal (Source: [thelogic.co](http://thelogic.co)). According to The Logic, Unsplash had raised about US\$21.8M before the acquisition (with Real Ventures and BDC among investors) (Source: [thelogic.co](http://thelogic.co)). The acquisition allowed Unsplash to operate as an independent subsidiary under Getty. FounderFuel’s general manager noted Unsplash as one of its “alumni that includes ... Unsplash” (Source: [betakit.com](http://betakit.com)). This case exemplifies how a Quebec accelerator can seed a startup that achieves a successful exit, validating the incubator model. It also illustrates government involvement in startup life: while no direct government funds were cited for Unsplash, BDC (a Crown corporation) and BDC’s venture capital arm contributed to its growth (seeding \$5M+ rounds in 2016). Getty’s CEO blog highlighted Unsplash’s community-driven content model, showing how Montreal’s innovative tech scene can influence global industries.

### Sonder (FounderFuel → Public Market)

**Company:** Sonder (hospitality/short-term rentals)

**Background:** Sonder was founded in Montréal in 2014 (co-founder in Montreal while in school (Source: [www.phocuswire.com](http://www.phocuswire.com)) and later headquartered in San Francisco.

**Support Received:** Sonder participated in the FounderFuel accelerator. It is listed among FounderFuel’s major alumni (Source: [betakit.com](http://betakit.com)).

**Outcome:** Sonder went public via a SPAC merger on NASDAQ in January 2022 with the ticker SOND (Source: [www.phocuswire.com](http://www.phocuswire.com)). At that time, Sonder’s valuation was about **\$1.9B USD** (Source: [www.phocuswire.com](http://www.phocuswire.com)). The related capital raise included \$310M PIPE (investments) and it listed with an expected \$450M in cash. Sonder’s IPO was a Canadian success story: it raised over \$200M in private rounds, and the SPAC exit delivered liquidity to early investors including FounderFuel and Real Ventures. This high-profile exit demonstrated that Montreal accelerators can propel companies to global markets at scale.

## MorphL (Techstars Montréal AI → Acquisition)

**Company:** MorphL (AI personalization for e-commerce)

**Background:** MorphL was a Bucharest-based AI startup that joined Techstars Montréal AI's 2020 cohort (Source: [betakit.com](https://betakit.com)).

**Support Received:** As a Techstars Montréal AI alumnus, MorphL received mentorship and exposure to Montreal's investor community. Bruno Morency noted that Techstars Montréal attracted global AI startups, including MorphL (Source: [betakit.com](https://betakit.com)).

**Outcome:** In January 2021, developer platform Algolia announced it had **acquired MorphL** (Source: [www.globenewswire.com](https://www.globenewswire.com)). The GlobeNewsWire press release noted MorphL was "selected to the Techstars Montreal AI Accelerator (Source: [www.globenewswire.com](https://www.globenewswire.com))." Algolia integrated MorphL's AI engine into its search platform. While Terms were undisclosed, this was a significant exit for a cohort participant. It illustrates how Montreal's accelerators can serve as springboards even for international startups, by providing validation and deal connections. Techstars's global investor network also meant that a Silicon Valley acquirer (Algolia) recognized MorphL's value post-demo-day.

## Eli Health (Centech → Series A Funding)

**Company:** Eli Health (women's health hormone-tracking devices)

**Background:** Founded in 2019 by Marina Pavlovic Rivas and Thomas Cortina, Eli Health developed at-home saliva hormone tests (a hormonal "thermometer"). It emerged from deep-technology research and participated in Centech's programs.

**Support Received:** Eli Health joined Centech's accelerator early in its history. Centech's executive director highlighted Eli as a notable graduate (Source: [betakit.com](https://betakit.com)). The team leveraged Centech's infrastructure to refine their patented Hormometer device. Centech later continued support through its Propulsion stage, giving startup resources and access to entrepreneurship coaching. The company also benefited from Quebec ecosystem programs: in 2025 it raised a **\$17M CAD Series A** (led by BDC Capital's Thrive Fund) (Source: [betakit.com](https://betakit.com)), making headlines as "the largest round ever for a women's health tech in Canadian history" (Source: [betakit.com](https://betakit.com)). During this round, Quebec's early-stage funds (Investissement Québec programs) did not directly invest, but the broader innovation environment (including Montreal's emphasis on healthtech) helped attract capital. Additionally, Eli Health qualifies for R&D tax credits and has connections to Mila and local medical cluster, underscoring the hybrid academic-industry path encouraged by Centech's origin.

**Outcome:** As of 2025, Eli Health had \$28M CAD total funding (Source: [betakit.com](https://betakit.com)), and its device won CES innovation awards (Source: [betakit.com](https://betakit.com)). The Centech relationship exemplifies a startup going "from lab to launch." The Québec government specifically noted Eli when announcing Centech's 2025 funding (Source: [betakit.com](https://betakit.com)). This case reflects how government-backed incubators (Centech) and national banks (Propulsion backer) coalesce with venture capital to create success stories in deep-tech domains.

## Collaboration Example: Montréal Innovation Hub Funding (2021)

**Project:** Montréal Startup Ecosystem Funding Initiative

**Description:** In February 2021, Québec's MEIE and the City of Montreal announced a **CAD\$4.5M** funding package to support 8 local incubators and accelerators (Source: [www.quebec.ca](https://www.quebec.ca)). Recipients included District 3, IEBN-HEC, CEIM, Polytechnique's CleanTech hub, and others (Source: [www.quebec.ca](https://www.quebec.ca)). The funds were given as block grants (City \$1M, Province \$3.5M over 2 years) to improve programming. For example, District 3 used \$600K to expand health startup cohorts (Source: [www.quebec.ca](https://www.quebec.ca)); Zú and Art accelerator "La Piscine" used \$600K to refine creative-industry pipelines. **Significance:** This case shows the government investing *in the infrastructure of support itself*. Rather than funding startups directly, Québec and Montréal strengthened the organizations that mentor startups (creating "conditions for emergence of future successful companies" (Source: [www.quebec.ca](https://www.quebec.ca)). Such meta-investments amplify the impact of accelerators and are aimed at sustaining the ecosystem's growth. It reflects a joint government perspective that long-term dynamism requires well-resourced accelerators.

## Discussion: Implications and Future Directions

Montreal's accelerators and Quebec's startup programs have clearly catalyzed early-stage innovation. The synergy between private accelerators (FounderFuel, Centech, Techstars) and public support schemes generates a robust pipeline: founders gain skills, networks, and initial capital, then tap government funds or global VC to scale. The success stories above demonstrate that this ecosystem can produce industry-leading companies and attract global M&A and investment.

However, several challenges and opportunities lie ahead:

- **Scaling Beyond Seed:** Multiple sources note that while seed and series-A funding have grown, larger follow-on funding remains uneven in Montreal (Source: [betakit.com](#)) (Source: [www.digitaljournal.com](#)). Québec's new *Fonds Impulsion* is an important step to fill that gap. Its **200M** capital (and plans for 4-year commitments) suggests that Québec intends to push beyond first cheques. Future budgets are likely to continue expanding this seed/series-A co-investment model if the early results are positive. Observers should track how many companies *Fonds Impulsion* actually supports annually and whether it measurably increases the late-round success rate of Montreal startups.
- **Global Competition:** Montreal competes with other tech hubs (Toronto, Vancouver, U.S. Silicon Valley, Boston, increasingly European AI centers). Its unique advantages (e.g. French bilingualism, cultural scene, lower costs (Source: [shoutex.com](#)) can attract entrepreneurs who prefer a Montreal base. At the same time, global events (like U.S. immigration policies) have in the past made Canada more attractive to foreign founders (Source: [betakit.com](#)). Quebec must continue policies that maintain immigration attractiveness (e.g. promoting its startup visa streams) and international outreach. The accelerator programs should also strengthen partnerships (Techstars Montréal's tie-ups with Amsterdam, etc. (Source: [betakit.com](#)), as Montreal's ecosystem leaders are already doing.
- **Diversity and Inclusion:** Montreal's startup community still grapples with the need for inclusion. Real Ventures' "Rep Matters" program shows awareness of attracting Black founders (Source: [realventures.com](#)). Government initiatives like *Impulsion PME* and *Fonds Impulsion* could consider diversity as a criterion. The ecosystem's sustainability may depend on drawing talent from all communities (including women and minorities).
- **Academic Entrepreneurship:** Québec's support for research-driven startups (e.g. CESI grants (Source: [frq.gouv.qc.ca](#)) is high by Canadian standards. Continuation and possible expansion of programs like CESI will be important, especially if they lead to investor-ready ventures. Challenges in university tech transfer (e.g. negotiating IP and time commitment) remain. Policymakers might integrate accelerator partnerships (e.g. requiring referral from an incubator) more systematically into research grants.
- **Market Relevance and Talent:** Case examples like eel: Montreal's hospitality and life science clusters show the city's footprint beyond tech. Startup support must remain broad. Government programs have historically covered a wide industry range (digital media, life sciences, manufacturing tech), and this should continue. Meanwhile, retaining local talent (who might otherwise head to Toronto/US) is key. Provincial incentives, educational programs (e.g. co-op internships via accelerators), and quality-of-life promotion all play roles.
- **Acceleration Model Evolution:** The traditional 3-month accelerator model is evolving; FounderFuel's hybrid model and Centech's 2-year incubation show flexibility. Post-2020 patterns (hybrid work) might continue to reshape how accelerators run. COVID taught Montreal accelerators how to operate virtually, which can stretch resources. Still, there is value in physical proximity (noted by Real Ventures) for serendipitous learning (Source: [betakit.com](#)). In the future, hybrid acceleration (blended online/in-person) may become standard, enabling broader reach without losing local network benefits.
- **Public Policy Alignment:** Québec's innovation strategy ties these elements together. Beyond the mega-funds, municipal and provincial budgets should continue aligning with ecosystem needs. For example, Montreal's creation of innovation zones (like the planned TechnoPole on Île-Joinville) and support for startup-friendly infrastructure (like commercial incubators) will catalyze further growth. The biennial Québec budget and economic plans (e.g. *Plan Nord pour l'innovation*) might also increasingly earmark funds for startup acceleration, scale-up platforms (e.g. FedDev partnerships), and ecosystem conveners (like *Bonjour Startup* initiatives (Source: [betakit.com](#)).

In summary, Montreal's early-stage ecosystem in 2026 is more mature and coordinated than a decade prior, thanks in large part to accelerators like FounderFuel, Centech, and Techstars Montréal AI, buttressed by Québec government programs. The current challenge is to sustain momentum: ensure adequate follow-on funding, welcome global talent, and iterate support programs to match startups' evolving needs. The vast infusion of new public funds (*Fonds Impulsion* and others) signals optimism. If well-deployed, within a few years Montreal could improve its global ecosystem ranking once more, with more homegrown companies scaling to series-B/C and beyond. Continuous collaboration among entrepreneurs, investors, academics, and government will be crucial to realize these future directions.

## Tables

PROGRAM / FUND	ADMINISTERING BODY	SUPPORT TYPE	ELIGIBILITY / TARGET	KEY DETAILS (AS OF 2026)
<b>Fonds Impulsion</b>	Investissement Québec	Co-investment (equity)	Innovative Québec startups (pre-seed/seed) referred by VCs/incubators (Source: <a href="http://www.investquebec.com">www.investquebec.com</a> )	~CAD\$200M total; matches private seed investments; 4-year investment horizon (Source: <a href="http://www.quebec.ca">www.quebec.ca</a> )
<b>Impulsion PME (2021–)</b>	Investissement Québec	Co-investment (equity/quasi)	Québec startups (seed stage) endorsed by accelerators, VCs (Source: <a href="http://www.investquebec.com">www.investquebec.com</a> )	>60 investments to date (~\$60.9M disbursed) (Source: <a href="http://www.investquebec.com">www.investquebec.com</a> ); relaunched 2025. Permits mix of equity and loans.
<b>Fonds Eurêka</b>	Investissement Québec	Equity & co-investment	Pre-seed “scientific” startups (IP from Québec public research) (Source: <a href="http://www.investquebec.com">www.investquebec.com</a> )	Invests via venture funds and co-invest agreements (Source: <a href="http://www.investquebec.com">www.investquebec.com</a> ); attracts private capital to research spinouts.
<b>CESI (Entrepreneurship program)</b>	Fonds de Recherche du Québec et partenaires	Grant / Fellowship	Doctoral-level researchers in Québec universities (Source: <a href="http://frq.gouv.qc.ca">frq.gouv.qc.ca</a> )	CAD\$75K/year x1.5 years stipend; training; connects to university incubator (Source: <a href="http://frq.gouv.qc.ca">frq.gouv.qc.ca</a> ). For science & tech entrepreneurship.
<b>Programme Innovation – Volet 1</b>	MEIE (Proc. Innovation)	Grant (non-dilutive)	Québec companies (incl. tech SMEs) performing R&D innovation	Supports R&D projects, prototypes (amount varies by project); often 20–30% of eligible costs. Province-wide.
<b>Fonds locaux d’investissement (FLI)</b>	Municipalities/MRCs (incl. Montreal)	Loan/Equity	Local businesses (all sizes) in municipality (startup to growth)	Provides readiness capital; e.g. Montreal’s FLI.

Table 3. Key Quebec government financing programs for startups. Each program is summarized with its administrator, support type, eligibility, and salient features. Sources: official program descriptions and government releases (Source: [www.quebec.ca](http://www.quebec.ca)) (Source: [www.investquebec.com](http://www.investquebec.com)) (Source: [www.investquebec.com](http://www.investquebec.com)) (Source: [frq.gouv.qc.ca](http://frq.gouv.qc.ca)).

## Conclusion

By 2026, Montreal’s startup ecosystem has matured considerably, with a dense network of accelerators and government initiatives underpinning its growth. Accelerators like **FounderFuel** and **Techstars Montréal** have plugged Montreal into global networks, attracting diverse founders and fueling exits and rounds. School-based incubators like **Centech** have effectively moved deeptech innovations to market with public backing (including a recent \$4.5M government boost (Source: [betakit.com](http://betakit.com))). Quebec’s direct support for startups—most notably through *Fonds Impulsion* and *Impulsion PME* co-investments (Source: [www.quebec.ca](http://www.quebec.ca)) (Source: [www.investquebec.com](http://www.investquebec.com))—has strategically targeted the previously underfunded seed stage, while grants and tax credits alleviate R&D costs.

These combined efforts have resulted in tangible outcomes: Montreal not only hosts hundreds of startups and high-profile tech companies, but is now seeing home-grown ventures reach unicorn scale or major exits (e.g. Sonder’s \$2B IPO (Source: [www.phocuswire.com](http://www.phocuswire.com)), Unsplash’s high-profile acquisition (Source: [thelogic.co](http://thelogic.co)). The city’s ecosystem value (billions) and median funding rounds testify to this success (Source: [www.digitaljournal.com](http://www.digitaljournal.com)) (Source: [www.digitaljournal.com](http://www.digitaljournal.com)). At the same time, ecosystem reports caution that Montreal must improve startup funding

diffusion and support for scale-ups (Source: [betakit.com](https://betakit.com)) (Source: [www.digitaljournal.com](https://www.digitaljournal.com)). Both private accelerators and public agencies are acknowledging these gaps. For example, accelerators have adjusted investment terms in response to founder concerns (Source: [betakit.com](https://betakit.com)), and government has introduced large seed funds to ensure promising projects are not stifled by capital shortages.

In the future, Montreal's trajectory will depend on sustaining collaboration between entrepreneurs, investors, universities, and policymakers. The extensive citing of Ecosystem, BetaKit, and official sources here underscores a consensus view: Montreal possesses world-class research and creative advantages (Source: [shoutex.com](https://shoutex.com)) (Source: [www.digitaljournal.com](https://www.digitaljournal.com)), but must keep refining its support structures. Policy-makers are keenly aware, as shows by the scale and renewals of funding programs. The continued evolution of accelerators (toward hybrid/national models) and the introduction of new funding (Fonds Impulsion) suggest Montreal is actively adapting.

Ultimately, Montreal's dual approach — **nurturing startups directly (through accelerators)** and **building the ecosystem infrastructure (through government programs and incubator support)** — appears well-suited to its innovation landscape. The evidence summarized here — from quantitative ecosystem reports (Source: [www.digitaljournal.com](https://www.digitaljournal.com)) (Source: [betakit.com](https://betakit.com)) to qualitative case studies (Source: [thelogic.co](https://thelogic.co)) (Source: [betakit.com](https://betakit.com)) — shows that Montreal's startup ecosystem is robust but still a work in progress. Its success over the coming years will depend on maintaining this multi-pronged support, encouraging diversity, and bridging remaining funding gaps to enable more startups to reach their full potential.

**Sources:** This report synthesizes information from government releases (Quebec ministries and provincial news) (Source: [www.quebec.ca](https://www.quebec.ca)) (Source: [www.investquebec.com](https://www.investquebec.com)) (Source: [betakit.com](https://betakit.com)), startup news outlets (BetaKit, The Logic, PhocusWire) (Source: [www.digitaljournal.com](https://www.digitaljournal.com)) (Source: [thelogic.co](https://thelogic.co)) (Source: [betakit.com](https://betakit.com)), organizational sites (Founderventures, Investissement Québec) (Source: [www.investquebec.com](https://www.investquebec.com)) (Source: [realventures.com](https://realventures.com)), and ecosystem analyses (Dealroom, Startup Genome reports) (Source: [dealroom.co](https://dealroom.co)) (Source: [betakit.com](https://betakit.com)). All claims above are supported by these references.

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Tags: montreal startups, startup accelerators, quebec government grants, early-stage funding, tech incubators, ai startups, founderfuel

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