



thrive
IMPACT FUND

2023

Impact Report



The Thrive Impact Fund team operates out of two offices. We respectfully acknowledge that the offices of the Thrive Impact Fund are located on the unceded, ancestral, and traditional territories of the **lə́kwə́n**-speaking peoples, now known as the Songhees and Esquimalt Nations and on traditional, ancestral, and unceded territories of many nations, including the Syilx/Okanagan people.

MESSAGE FROM BOARD PRESIDENT

2023 has been quite a year! We ended 2022 with momentum, having made \$1.5 M in investments and conducting a steady and successful raise. As a result of this early growth and in anticipation of continued growth, we brought on additional staff. And then... quiet. Combined inflation and recessionary uncertainty slowed down incoming deal flow. And we were not alone- across the Canadian ecosystem, investing activity dropped between 82% (Q1) to an overall drop of almost 40% from the previous year. At the same time, we had some turbulence in our portfolio and experienced two exits- one for positive reasons and another due to business closure. So, we switched tactics and focused on the following:

- market building by expanding the Social Enterprise Conversations to more communities across Vancouver Island and hosting a sold-out Connect Money Impact event in Kelowna
- strengthening systems and processes from investment offerings to portfolio management and support to investees
- continuing to engage with investors and raising capital
- strengthening the social finance ecosystem through regular presentations (webinars), convenings and conversations

By Fall 2023, the investing climate started to shift and we received a flurry of interest from interesting projects. We also said goodbye to two of our key staff members. Emeline Le Guen, Impact Investment Manager, left Victoria to pursue a life in Montreal, and Jamil Bhimji, Analyst, went travelling. Their contributions to building Thrive Impact Fund are immeasurable and greatly appreciated!

2023 presented some challenges, significant learning opportunities, and space and time to reflect, adapt and adopt practices that will only make Thrive stronger. We come into 2024 with a renewed sense of optimism and a solid strategy to deploy, raise and support an amazing portfolio of incredible entrepreneurs and organizations.



A handwritten signature in black ink, appearing to read 'KRISTI'.

Kristi Rivait
Board President



Board Member
Managing Director



Board Member
Interior Lead



Board Member
Administrative Lead

ABOUT

Thrive Impact Fund is an impact-first fund that provides flexible and patient capital to impact organizations solving today's most challenging problems.

Thrive Impact Fund investors are mobilizing catalytic capital to enable investees to build strong financial models, grow their operations and deepen their impact. Founded in 2021, Thrive Impact Fund provides impact organizations with flexible and equity-like debt financing. The fund was designed by non-profit and social enterprise leaders who have experienced barriers to traditional financing and understand the need for patient financing. We utilize our extensive impact and entrepreneurial experience, as well as deep networks, to identify and support investees, helping them chart their path toward success.

GUIDING PRINCIPLES



Accessible



Regenerative



Public Benefit



Flexible



Abundant



Relational



”

“We exist because of you! Thrive allowed us to access the funds we needed to buy the business and convert it into a workers' co-op. Thrive's requirement to dedicate some of the funds from our loan to the hiring of a business consultant has meant we've received the support to move towards becoming a profitable and sustainable business.”

—The Makehouse



HOW WE MEASURE IMPACT

Impact is at the core of everything we do at Thrive Impact Fund. Thrive is driven to finance organizations providing solutions to today's most challenging problems. Many factors determine our investments, primarily:

- is Thrive reducing barriers to accessing capital that currently exist for social enterprises?
- is Thrive providing opportunities for impact investors to flow funds to good projects?

As outlined in Thrive Impact Fund's impact measurement framework, data is collected through a number of different methods, including through:

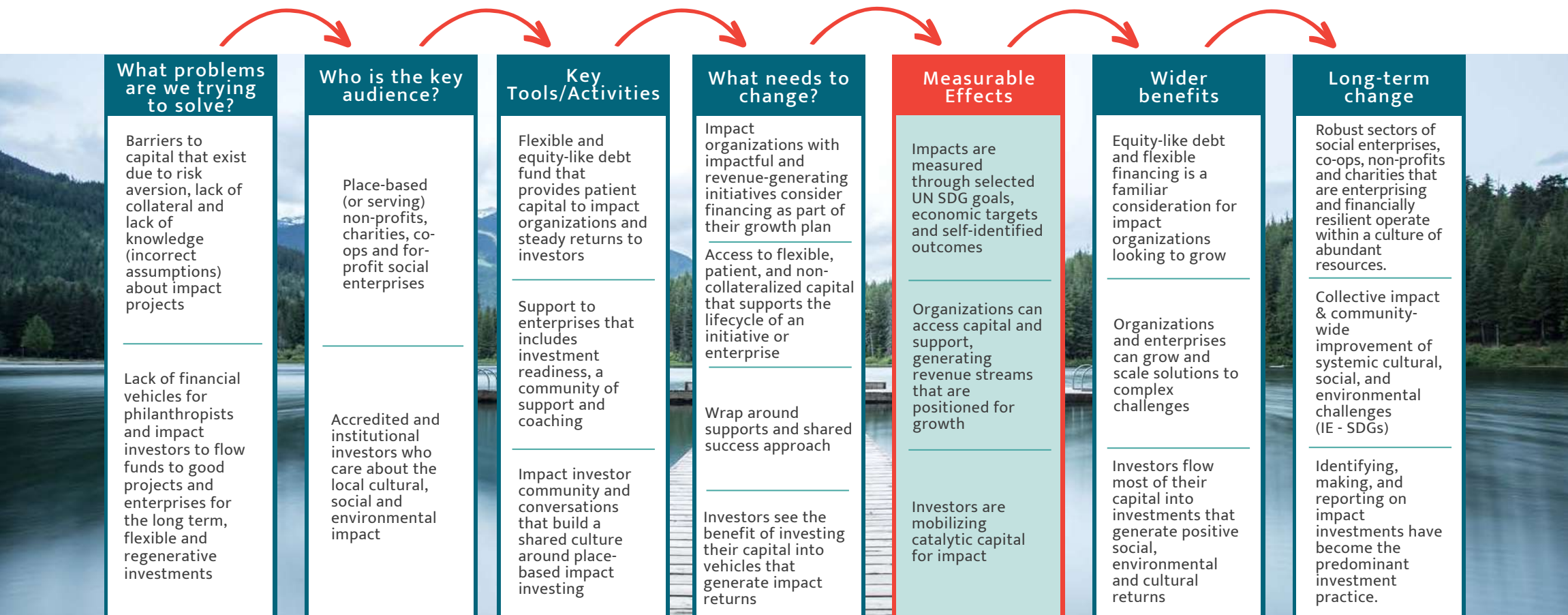
- Application process
- Loan agreements
- Quarterly and annual financial reporting
- Quarterly investee reporting
- Annual investee reporting

Thrive Impact Fund draws upon the Common Approach, IRIS+ and UN SDG metrics to ensure our reporting follows good measurement practices and enables investees to select indicators which matter most to them. Our ultimate aim through this process is to benefit investees, investees' beneficiaries and communities, and address progress being made to solve systemic issues.

THEORY OF CHANGE

More resources in the hands of impact organizations and social enterprises leads to positive social, environmental and cultural benefits to communities.

The ability to meet impact and mission targets is connected to the ability to access financial and capacity resources. Thrive's theory of change is, "if we can provide the right type of capital to meet the specific needs of social enterprises, then access to financing translates into greater impact."

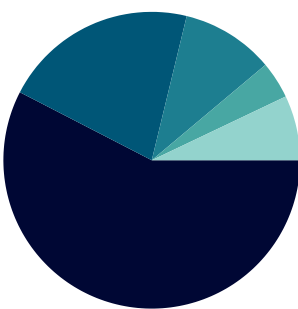
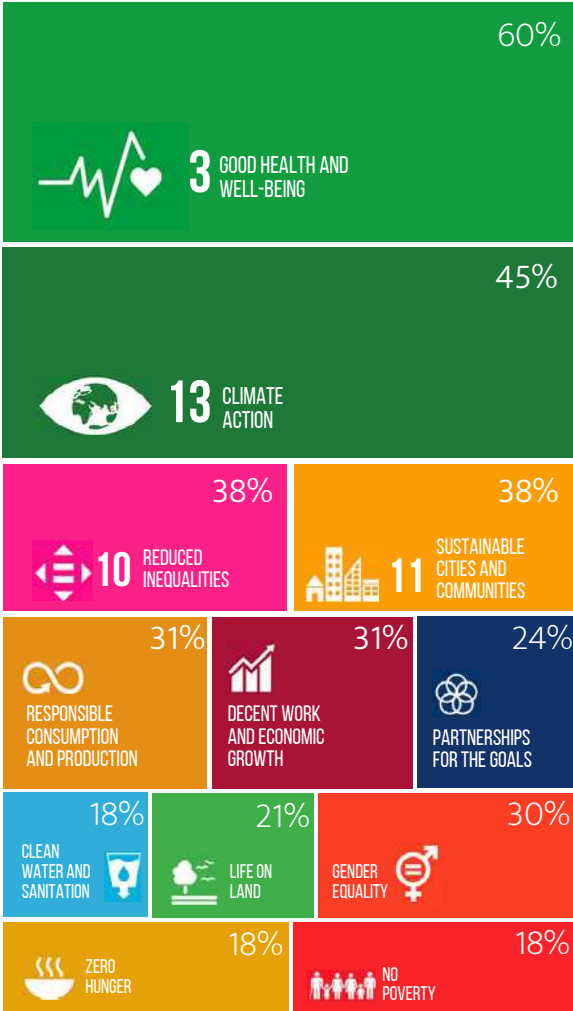


Thrive's annual report focuses on understanding and sharing the portfolio companies' advancement towards their UN SDG goals, Thrive's learnings and success in increasing access to capital, and the overall mobilization of catalytic capital for impact.

INQUIRIES

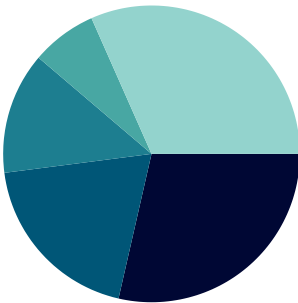
In 2023, Thrive Impact Fund received 50 inquiries from social enterprises.

PRIMARY UN SUSTAINABLE DEVELOPMENT GOALS OF INQUIRIES



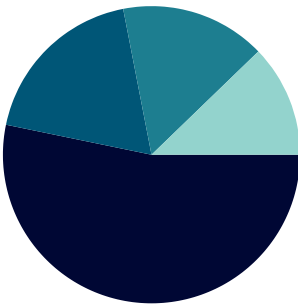
INQUIRIES BY INCORPORATION STATUS OF ORGANIZATION

- 57% For-profit social enterprise
- 21% Not-for-profit
- 10% Charity
- 4% Co-operative
- 7% Other



INQUIRIES BY REGION

- 28% Vancouver Island & the Coast
- 19% BC-wide
- 13% Okanagan
- 7% BC interior
- 31% Other



INQUIRIES BY INVESTMENT NEED

- 74% Business expansion
- 26% Asset acquisition
- 22% Real estate purchase
- 0% Business acquisition
- 17% Other



“One thing that I appreciate is that Thrive is opening traditional investors to social finance. Before working with you, it felt like a very small space. Thank you for making space for more organizations to think differently about impact and scale!”

–Thrive Impact Fund investee

INVESTMENTS

\$4.86M
raised

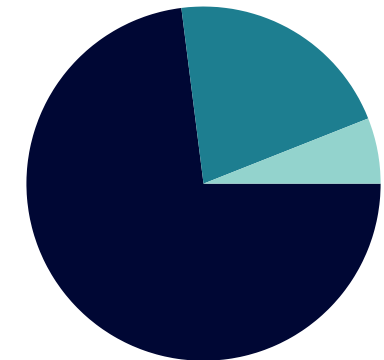
\$1.68M
deployed

Thrive Impact Fund made two additional investments in 2023- a term loan and our first bridge loan, with two additional commitments dependent on meeting the requested terms. 2023's portfolio was comprised of 7 organizations.

INVESTEES INCLUDE:

-  5 For-profit social enterprises
-  2 Non-profits
-  1 A co-op
-  1 An Indigenous-led organization
-  66% Investments into Women-led enterprises

INVESTMENTS BY LOAN TYPE (AS PERCENTAGE OF DOLLARS)



- 73% Revenue-based financing: \$1,228,500
- 21% Flexible term loan: \$353,000
- 6% Bridge financing: \$99,000

PORTFOLIO

PRIMARY UN SUSTAINABLE DEVELOPMENT GOALS OF INVESTEES



Animikii is a values-driven Indigenous technology company focused on data sovereignty– in 2023, Animikii celebrated its 20th anniversary! This year, Animikii had 15 First Nations Community projects, 11 partnerships with educational institutions, 94 Indigenous-connected projects and 43 projects with Indigenous organizations, with 100% of their projects connected to Indigenous People.

One such project is the Pathways of Our Truth project, a timeline of harms from colonialism in Canada that communities can refer to when documenting their experiences of harm. It is one of three sub-components of a SSHRC-funded community-based research project led by York University and the Canadian Red Cross, whose aim is to study the journey that communities take from the Cycle of Violence to the Circle of Wellness through the Red Cross violence prevention programming.

Animikii tested and launched Niiwin, an Indigenous data sovereignty software product, and invested 2,300+ hours in social and technical R&D.



“We’re developing the Pathways of Our Truth interactive timeline with hundreds of qualitative data points. Researching data as unique as this meant we needed a platform that would adapt to our needs. We’ve chosen to work with Animikii and build on their Niwiin platform, which provides cultural safety and technical innovation to make our digital tool a reality. Animikii understands the intent is not to get “lost in the harm” but to come to terms with the historical legacy of colonialism on a regional and local level so communities and their partners can better work together to secure a brighter future.”

– Animikii Customer, Shelley Cardinal



FRANKIE COLLECTIVE



Frankie Collective exited Thrive Impact Fund in May 2023 after achieving a successful subsequent raise. Frankie continues to grow and deliver on its mission to divert textile waste from landfills by upcycling vintage and unsold garments. Here’s just some of what Frankie achieved in 2023:

- recycling 100% of textile waste
- hiring a diverse team of over ¾ women and 50% BIPOC being paid a living wage
- a commitment to local manufacturing
- packaging is 100% plant-based materials
- 1% of sales help fund partner non-profits: Downtown Eastside Women’s Centre, Surfrider Foundation and Black Youth Project 100



THE MAKEHOUSE CO-OP

The Makehouse is creating a welcoming, inclusive community space for co-creative, culturally dynamic, inclusive, ecologically minded, and sustainable-oriented makers to gather, learn and create. The Makehouse focuses on garment making, upcycling, quilting, and other fibre arts. The Makehouse is developing partnerships in the community and growing its zero-waste model.



“We had two Deaf students join one of our quilting classes. We facilitated their inclusion by hiring a professional ASL-English interpreter. We are planning on fundraising to establish an ongoing accessibility fund that we can tap into to make future classes available to the Deaf community.”

“We threw out zero lbs of fabric, including fabric waste from classes. All scraps were re-used either as stuffing in children's projects adult projects, or donated to community members. We ran one class specifically for the reuse of fabric scraps.”

MAJIK MEDIA (MAJIK KIDS)



Majik Kids’s vision is to offer story and media alternatives that support kids and families in getting off screens and back into their imaginations. This past year was significant, with the Majik Kids app developed and available on all app stores, producing 31 comedy videos, and signing over 100 new artists and writers, including 13 BC illustrators and 7 BC authors under license. Majik Media doubled down on teaching through flagship courses: Thriving in Business without Social Media and Build Your Meditation Business, and grew direct contacts by over 4,000 new subscribers.

NADA



Nada had the most difficult year and closed their doors in the early summer of 2023. The combination of COVID-19 impacts, inflationary pressures in the grocery/food sector, and rapid rent increases was too challenging for this small enterprise to overcome. This outcome was difficult for all involved and is the ‘wake-up-at-night’ part of investing. The most difficult part is that Nada was doing critical work in reducing and removing plastics from the grocery industry– we need more enterprises like Nada, and to lose their model and influence in the community is the most significant loss.



“I feel determined, excited & empowered to kick some serious Majik Ass in 2024, and I can't thank YOU enough for believing in me, cheering me on, supporting me financially, energetically, emotionally and on all the planes of existence. You absolutely rock, and I look forward to the day that your investment in Majik pays off exponentially (more than either of us can imagine).”

NYOKA - NOW LUX BIO



Lux Bio provides a sustainable alternative to the plastic glow sticks and other chemiluminescent devices used for safety and industrial purposes and prevents toxic waste from entering the environment. Their 2023 goal was to scale up their enzyme production and achieve target revenue goals, and they have been successful in these metrics. The technology continues to evolve, and as a result, their market and ability to serve commercial fishing is growing. This means scaling up their production demand, and they have now secured their facility in Vancouver.



“Our original name, Nyoka, was chosen in our early days before our identity was fully formed. Our new name, Lux Bio, is intended to communicate clearly, from first impression, more information about who we are and what we do. The word “Lux” is the measurement of light while also sounding luxurious and sharp. Meanwhile, “Bio” communicates many ideas - bioluminescence, biotech, biomimicry, and overall commitment to sustainability.”

VICTORIA COMMUNITY FOOD HUB SOCIETY

Victoria Community Food Hub Society (VCFHS) operates the South Island FarmHub, making fresh food from local farms and food processors available to everyone in the community, and Kitchen Connect, a food business incubator and processing facility that opened in Fall 2023. VCFHS supported 115 food businesses and developed six new food products. All new tenants in the kitchen have the opportunity to sell their products through the existing South Island FarmHub online market customer base, which includes home customers, some restaurants, charities and school programs.



“The Thrive Impact Fund brought support when we most needed it during the expansion of our enterprise. We had just completed construction of our new processing facility, which will enable us to expand our capacity to aggregate and distribute local foods, support local farmers and food businesses, and support small local food businesses, and this fund will help bridge the gap while we outreach and onboard entrepreneurs who want to join our ecosystem of community.”



WATER RANGERS



Water Rangers promotes a citizen-led approach to water quality, with crowdsourced data helping increase common knowledge towards sustainable waterways. In 2023, Water Rangers partnered with Ocean Diagnostics to combine their Water Quality Educational Testkit and Microplastics Educational Toolkit. Water Rangers directly trained 430 BC participants in water quality testing and indirectly 5,500 participants, including over 100 BC partners. BC participants contributed 5,103 data points on the Water Rangers platform. The total number of people trained across Water Rangers was 24,095, an increase of 4,725. Kat Kavanagh was named an Ashoka Fellow for her innovative and determined approach to accessing water quality information and data.



“In September, John Jorquay Elementary School introduced Water Rangers' Water Quality Education Testkit and Ocean Diagnostics Microplastics Educational Toolkit in two grade six classrooms. Norquay grade six students participated in water quality testing and microplastics sampling activities at their local Trout Lake before heading back to the classroom to analyze their findings using first-of-its-kind AI technology. By using science and technology to address environmental problems like plastic pollution and water quality, students were supported to enhance planning, problem-solving, data recording and critical thinking.”

“In 2023, we welcomed our new social enterprise manager, Nik, and our social enterprise marketing and analytics received a big boost from Entremission's expertise this year thanks to the Investment Readiness Program. Ongoing operations would not be possible without the support and investment from Thrive Impact Fund and the Community Forward Fund. Thank you for supporting our mission-driven sustainability!”

FEATURE STORY

VICTORIA COMMUNITY FOOD HUB: IN THEIR OWN WORDS

“Our enterprise serves farmers and food processors from diverse communities by creating a market for their products. We work with mostly small-scale farmers, mostly women-led, LGBTQSAI+ and other equity-deserving groups. We make the local foods we aggregate available at half price to our charity and school program partners, who turn this into food hampers or meals for community members experiencing barriers to accessing healthy food, with many intersections such as low-income, seniors, single-parent families, IBPOC, rural, youth.

VCFHS runs a charitable program called the "Farmbucks" program, through which we subsidize the purchase of healthy, local foods through our South Island FarmHub online market for charities and school programs. This subsidy improves the affordability and accessibility of food for more vulnerable community members while directly supporting our regional farmers and food producers who receive full price for their products.

Through this program, we are working hard to take hunger off the table in our community. This is no small task - the local agencies currently participating in our Farmbucks Program are serving more than 15,000 adults and children who are food insecure. By connecting families needing food from local farmers and makers, we are building a stronger local food system and working toward closing the loop on hunger.”

Achievements:

- 80+ local farmers, fishers, harvesters and food producers have been receiving a fair price for their food to reach community members, strengthening our local food system
- Farmbucks paid for \$45,000 of healthy foods for 11 charities, community organizations and six school programs
- Completed a research project with RRU Masters student Nelly Jimenez and partner Iye Creative to learn how our kitchen can help reduce barriers for start-up food businesses by IBPOC entrepreneurs, particularly newcomers to Canada

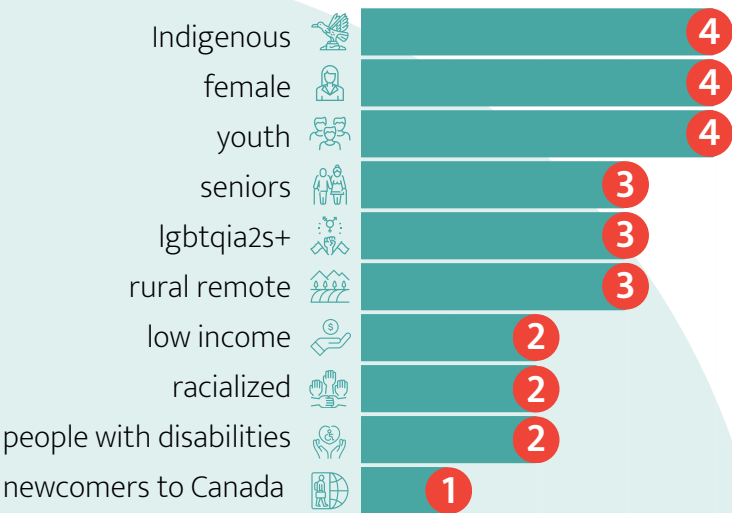


"...speaking of fresh, [Farmbucks] brought about more of a food equity to us since we no longer have to depend on solely donated food that may be questionable in freshness as well as depleted nutrition. I feel proud to give your food to participants or use it to nourish new moms in a program."

– Farmbucks customer, Saanich Neighbourhood Place

IMPACT AND OUTCOMES

DIVERSE COMMUNITIES SERVED BY PORTFOLIO COMPANIES



“Water Rangers adopted as one of its core organizational objectives a commitment and action towards truth and reconciliation. A commitment towards working with Indigenous nations and Indigenous-led organizations and to Truth and Reconciliation in all aspects of our work is critical to everyone, but especially in our work as water leaders.”

“We have customers of all ages. We have services catered to children and adults - last year, our young student was 7, and our oldest was 92! We have Deaf students/customers, genderqueer folk and members of the LGBTQI+ folk. We are an open and safe place; we talk openly with customers about their health and mental health. We strive to welcome in more diversity in the coming year, particularly First Nations and racialized people.”



-Thrive Impact Fund Investee

JOBS AND WAGES CREATED

At least* **32** new jobs directly related to environmental or social missions were created by investees in the past year.

At least
***\$4.05M**
Total wages paid

*reporting from 6/8 investees

SIX OUT OF SEVEN INVESTEES PAY A LIVING WAGE TO ALL STAFF

“The living wage is \$25.40/hour; two managers are making \$23/hour. No staff is earning less than \$20/hour. Our goal is to pay everyone a living wage as soon as possible!”

- Thrive Impact Fund Investee



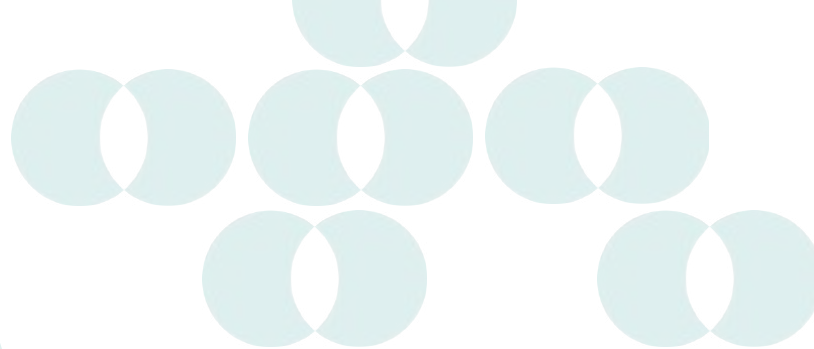
“Thrive has supported us through the peer group and ongoing introductions, conversations and access to their workspace. We appreciate the genuine and heartfelt welcome we feel at Thrive.”

–Thrive Impact Fund Investee



“One thing that I appreciate is that Thrive is opening traditional investors to social finance. Before working with you, it felt like a very small space. Thank you for making space for more organizations to think differently about impact and scale.”

–Thrive Impact Fund Investee



UNLOCKING ADDITIONAL RESOURCES

Thrive works to remove barriers to capital and provide flexible and innovative financing tools. In 2023, Thrive added bridge loans to our product offering, recognizing that grants, PO, and other secured but sometimes distant sources of revenue need upfront working capital to deliver. Thrive made our first bridge loan towards a grant in early 2023 and committed to bridge a community bond raise in the Fall.

PROVIDING SUPPORT

Thrive Impact Fund understands that entrepreneurs need support in addition to financial resources. When asked, “how else has Thrive Impact Fund supported you?” responses included:

- Support through the due diligence process
- Quarterly check-ins
- Monthly peer circles
- Individualized coaching
- Providing publicity opportunities



“Thrive has been a champion of our organization by supporting us both by allowing us the opportunity to grow through essential financing, making connections, and nurturing new important skills in social and finance. The check-ins are always an opportunity to reflect on what we've been doing at a high level and ensure we're moving forward!”

–Thrive Impact Fund Investee



“The coaching we've received and access to the experiences of the peer group has been really helpful. We look forward to learning more from the diverse experiences and knowledge of the group members.”

–Thrive Impact Fund Investee



THRIVING IN COMMUNITY

Building an impact investment fund means building a community and a market. Thrive Impact Fund actively engaged and participated in events, webinars and conferences to support the development of the social finance sector. These are the events we led and participated in during 2023:

- Social Enterprise Conversations in Comox Valley, Gabriola Island, Campbell River and Cowichan Valley
- Canadian Women's Foundation Investment Readiness webinars and convening
- Community Foundations of Canada conference
- Social Finance Forum plenary speaker
- Victoria Foundation's Affordability Forum
- Full-day training at the Francophone Society gathering
- Social Innovation Case Studies on Thrive Impact Fund and Water Rangers
- Canadian Workers Co-operative Case Study on the Makehouse
- Connect Money Impact event in Kelowna
- Catalyst Community Finance Pitch event
- Social Venture Institute panelist

RECOGNITION

Thrive Impact Fund is grateful to our community for the support, wisdom, and meaningful relationships that helped make this all happen. Thank you!

TEAM



Emeline Le Guen
Impact Investment
Manager



Morgan Brannon
Portfolio Support



Jamil Bhimj
Financial Analyst



Jacqueline Ross
Marketing &
Communications
Coordinator



Fernanda Martinez
Brand Coordinator

INVESTORS



And thank you to our investors who wish to remain anonymous.

IMPACT INVESTMENT COMMITTEE:

Brian Cade
Vancity

Daniel Sailland
Alberni Clayoquot Regional District

Rebecca Hurwitz
Clayoquot Biosphere Trust

Susan Smith
Entrepreneur

Sue Manzuik
Interior Savings Credit Union

Zhila Alizadeh-Borji
Indigenous Perspectives Society