



IMPACT INVESTING OPPORTUNITY

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INVESTMENT SUMMARY

Since opening in 2012, Impact Hub Ottawa has made 2700 sq.ft. at 71 Bank Street our home. Now after 5 years of developing the social innovation sector in Ottawa and building a community for changemakers and social innovators we are ready for our next chapter.

In May 2017, Impact Hub Ottawa will be expanding to a new home at 123 Slater, sharing 10,000 sq.ft. along with the Community Foundations of Canada (CFC) and a group of Co Stewarding organizations including MATCH International Women's Fund, The Circle on Philanthropy and Aboriginal Peoples in Canada, ONE.org, the National Observer, and Evidence for Democracy. Together we aim to build upon Hub's foundation and expand an inclusive environment where social entrepreneurs and innovators, philanthropic leaders and funders, activists and policy researchers, non-profits and tech startups, public servants and artists, and changemakers come together to connect, share, learn, work, and do good better.

A new home will enable Impact Hub Ottawa to grow with a maturing social enterprise and social innovation sector here in Ottawa that now needs the resources to grow and scale. We will provide for the first time dedicated spaces that can meet maturing needs and develop new resources, supports, and programming for social entrepreneurs to create a greater impact in our community.

We are inviting you to participate in Impact Hub Ottawa's next chapter by investing in the future home for changemakers, innovators, and social entrepreneurs making Ottawa a better place to live.

With investment opportunities of 2 or 5 years starting at a minimum investment of \$5,000 and an interest rate of 2.5 or 4% you will be a community asset to enable local changemakers and leaders to grow their impact. The new larger space, will allow us to grow our membership, grow with our members through new dedicated spaces, increase revenue, and put us on a firm financial footing.

In this impact investment offering you will learn more about our story and impact to date, our ambition and next chapter, terms of the investments, and financial analysis that demonstrates our ability to make your financial return.

Please contact Katie@hubottawa.org if you have any questions or to start your investment into the future of doing good in our community.

More
Do good better.

OUR STORY & IMPACT

In 2011, six founders came together with an idea and aspiration to build a new type of community asset for Ottawa. In five years, Impact Hub Ottawa has become our city's home for social innovation and the changemakers who are creating impact everyday. We help people and organizations from diverse sectors drive lasting impact through collaboration as a:

Incubator

Providing training and support to over 150 early stage social enterprises to date through Impact Academy

Member Community

Facilitating and connecting a community of 350+ local purpose driven professionals

Learning Centre

Hosting over 1,000 learning, networking, and community events since 2012

Examples of our programming and initiatives to date that have supported both our member and local community to increase their impact have included:



Impact Academy, an incubation program providing practical training, cutting-edge tools, one on one coaching and peer support for early stage social enterprises to grow their impact. To date, there have been five cohorts and 150 graduates including founders of the Ottawa Tool Library, Water Rangers, and Hidden Harvest.



In partnership with the City of Ottawa, we designed and developed a first-of-its-kind award to recognize and amplify social innovation leaders in our community who are making a positive impact through innovative and scalable initiatives, projects, and businesses. In our first year in 2016, we received over 45 nominations and 7,100 public votes helping to amplify the work of local leaders.



In partnership with the World Wildlife Fund Canada, we developed a microgrant initiative targeted at raising awareness, participation and knowledge of ocean health in the Ottawa region. In two years we have distributed over \$60,000 in microgrant funds to over 10 local projects that have reached thousands of local citizens.

Through access to training, connections, and a creative and inspiring work environment, we've enabled members to gain new outlooks on their work through cross sector perspectives, discover collaborations that have led to new projects and amplified existing ones, and created opportunities for citizens to come together and tackle civic issues. Based on survey results from 2015, our programming benefits include:

80%

Of members say that Hub has connected them to the advisors, experts, and resources needed to incubate their projects

2,500+

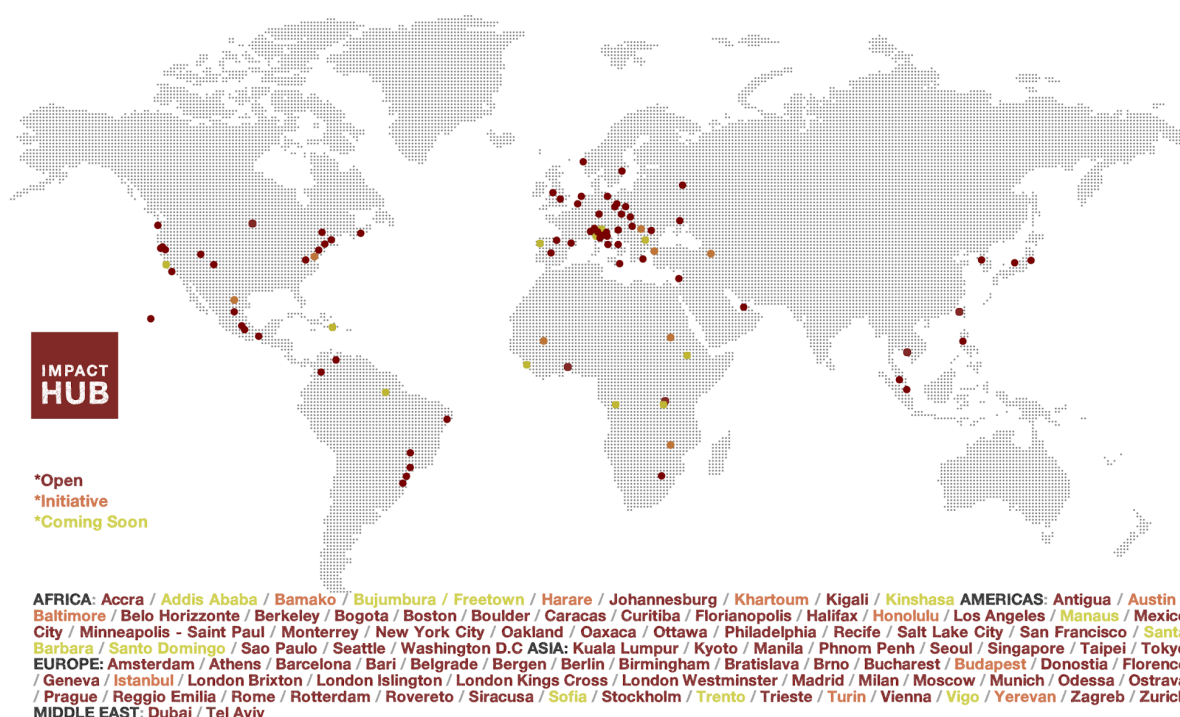
Social ventures have been catalyzed around the world by the Impact Hub network

88%

Of members say they have gained new knowledge and skills through experiences at Hub

In addition to the growth of our programming impact, we have grown our annual revenue in the past five years from \$85,000 in our first full year of operation to \$450,000 in 2016, and a budgeted \$710,000 for 2017 - averaging a 71% growth year over year. Revenue has been driven through membership, space rentals, and programming partnerships.

The Impact Hub global network has similarly seen significant growth expanding to over 86 Hubs, with another 21 initiatives set to open in 2017. With over 15,000 members globally, the network will quickly reach over 100 Hubs and estimates over 200 Hubs by 2020, making Impact Hub the largest and fastest growing network of social innovators in the world.



Impact Hub Ottawa is currently the only operating Hub in Canada. This, along with a growing social innovation ecosystem in Ottawa with interest flowing from all levels of government, leaves Impact Hub Ottawa in a position ready to embark on our next chapter, expanding our role and leadership within the sector both locally and nationally.

OUR AMBITION AND NEXT CHAPTER

Impact Hub Ottawa has a mission to be Canada's leader in building new ways to work and collaborate across sectors, enabling action and innovation that leads to positive impact. To achieve our ambition and reach financial sustainability, we need a new larger home for Impact Hub Ottawa. Additional square footage will enable Hub to:

- Continue to grow our member community;
- Enhance the quality and experience of our work environment; and
- Add new dedicated office spaces that meet the demands of our maturing community and provide increased sustainable earned revenue.

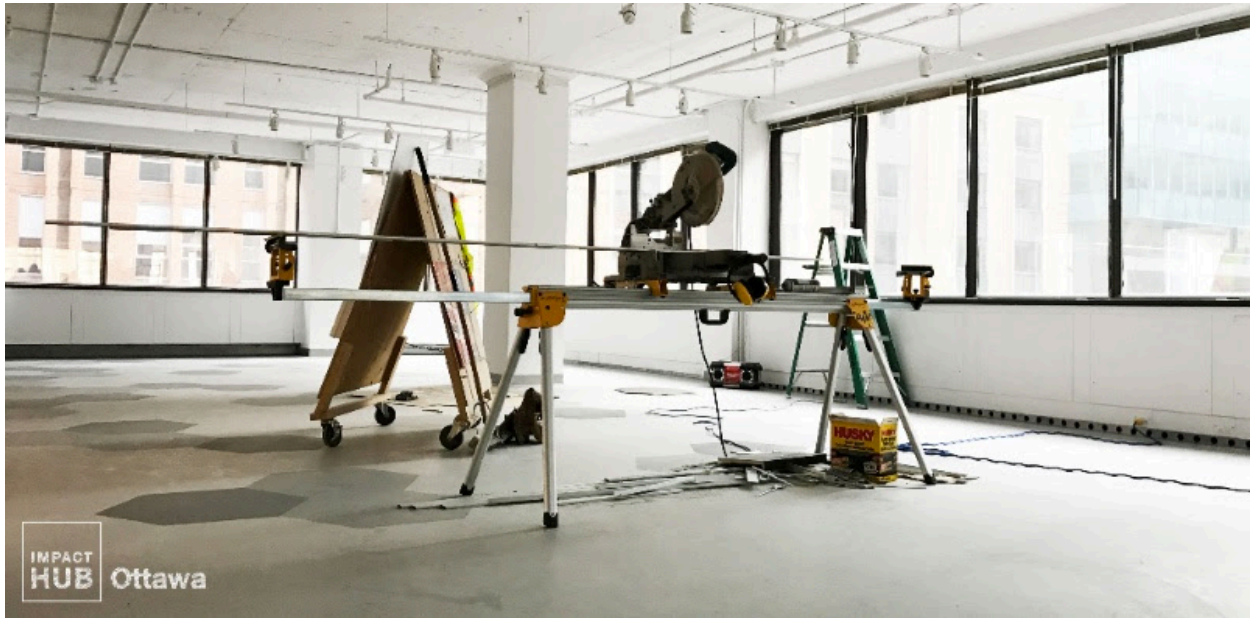
To realize this potential and to continue to push the boundaries of what the future of work and doing good could be, we are deepening our partnership with the Community Foundations of Canada (CFC) by co-locating and combining our resources and assets, and co-stewarding a larger community of social innovators and changemakers.

Since our co-organizational involvement in incubating the Rideau Hall Foundation in 2014, CFC and Impact Hub Ottawa have seen close alignment in our values and ambitions. Our collaborations to date include: pop-up Hubs at both CKX and CFC's 2015 national conference, joint team strategic retreats, and a joint exploration in a feasibility study for a long-term vision of a 'social innovation campus' for Canada - a campus that could become a national landmark and launchpad for change agents across Canada and around the world to come together and create new futures.

By expanding and co-locating with CFC and a group of additional Co Stewards including the Match International Women's Fund, and The Circle on Philanthropy and Aboriginal Peoples, we can both test and build the foundation blocks of this longer term vision, as well as maximize the potential of shared services and value-added opportunities:

- **Shared Services** - opportunity for cost sharing of core business functions including IT, payroll, bookkeeping, payables, employee benefits, space management, space hosting, etc.
- **Shared Operational and Capital Investments** - including capital investments such as technology and furniture upgrades, branding, marketing collateral
- **Alignment in growing Impact Hubs across Canada** - opportunity to align future of Impact Hub Network across Canada with the established network of 191 Community Foundations across the country

INVEST IN OUR NEW HOME



In May 2017, Impact Hub Ottawa and CFC will be expanding into a shared floor of over 10,000 sq.ft. at 123 Slater Street, doubling our current square footage. Together, along with a group of like-minded organizations that will have the opportunity to take up dedicated office space within the community, we aim to co-steward a leading-edge and world-class environment for changemakers, social entrepreneurs, and innovators.

We are inviting you to participate in this exciting stage and invest in building the next phase of our growth as a community bond holder. We are seeking a total of \$130,000 in a combination of two term length opportunities:

- A 2 year term, minimum \$5,000 investment and 2.5% return; or
- A 5 year term, minimum \$5,000 investment and 4% return

The community bond is an interest-bearing loan that can only be offered by non-profits or charities, in exchange for a reasonable rate of return for a given period of time. Through a community bond, an investor agrees to loan the money to the nonprofit and the nonprofit issues a promise to repay the amount plus interest via a bond and trust agreement. Due to the unique characteristics of a community bond, it allows members and supporters of non-profits like Impact Hub Ottawa to become impact investors to help us pursue our mission and build our resilience.

Becoming a community bondholder is the perfect way to make an impact investment in a vibrant social innovation future in Ottawa. Your investment will help us finance the capitalization of our home and enable us to invest in furniture, technology, and tools that will enable our city's creative and entrepreneurial changemakers to connect, learn, share, collaborate, and create greater impact.

YOUR RETURN AND IMPACT

Impact Hub Ottawa places equal importance on financial and social return. This people-planet-profit triple bottom line requires a multi-dimensional approach to assess and capture our value creation and impact.

We thus define our return and impact both by your financial return as well as the community impact defined through quantitative and qualitative evidence on how we've advanced members' and community goals. The social return on your investment includes investing in local leaders, changemakers, and social entrepreneurs to:

Expand Professional Networks and Community

Experiences that help our community exchange ideas, insights, knowledge, and resources across sectors. We facilitate "purposeful connections" to allow our community to discover collaboration opportunities – many of these have helped grow their programs and have also turned into new ideas and initiatives.

80%

of members feel supported in being part of a larger community and network to help their organization better innovate, execute, and grow.

Gain Personal and Professional Skills Growth

Learning and development experiences offered by Impact Hub are diverse and range from peer-to-peer knowledge exchange and social enterprise startup weekends to practitioner-led classes and social entrepreneur training.

88%

of members say they have gained new knowledge and skills through experiences at Hub.

Launch, Grow and Scale Projects and Ventures

Our members incubate their social enterprises, not-for-profits, and community initiatives at the Hub. Here, they can take advantage of programming, coaching, connections to funding opportunities, mentors, and relationships with experts, investors, both locally and globally.

80%

of members have been to connected to advisors, experts, and resources they need to incubate their projects.

For our complete impact reporting to date, please read our 1st and 2nd Impact + Failure Report [here](#). Our 3rd Impact + Failure report will be released in late 2017, as we are currently participating in the Impact Hub network's Global Member Survey, one of the largest impact measurement efforts of its kind in the world with 98 participating Hubs.

With your support as an Impact Investor we would seek to extend these metrics to support a larger Impact Hub Ottawa community, as well as increase our ability to support the network development, personal and professional growth, and project building of social entrepreneurs, innovators and changemakers in our community.

TERM SHEET

To define your financial return, we are pleased to provide you with this Term Sheet, reflecting the basis for our investment offering. The terms and conditions outlined herein are the final offer available. This summary of indicative terms and conditions is for the Investor's use and is provided on a confidential basis on the condition that it will not be disclosed to anyone other than those directly associated with the transaction contemplated without obtaining our written consent.

Date: June 1st, 2017
Offered by: Impact Hub Ottawa
Purpose: Financing infrastructure investments into our new home
Total Offering: \$130,000
Investment: An unsecured debt investment

	2 Year Term	5 Year Term
Interest Rate	2.5 %	4%
Minimum investment	\$5,000	\$5,000
Maximum Investment	\$60,000	\$70,000
Maturity date	June 1st, 2019	June 1st, 2022
Interest and Principal Payments	Principal payments and interest will be paid at end of term	Principal payments and interest will be paid at end of term
Early Repayment		Issuer has option for early repayment of capital after 3 years

The Investments shall be evidenced by:

- An unsecured bond to be issued to individual investors in the face amount equal to the value of their investment contribution
- All bonds will rank equal to each other and subordinate to any future senior debt holders of Impact Hub Ottawa.
- The bonds will not be transferable without the express consent of Impact Hub Ottawa, which will not be unreasonably withheld

Sample Repayment schedule- 2 year Term

	Date	Accrued Interest	Interest Payment	Balance Repayment	Balance
<i>Placement</i>	<i>June 1st, 2017</i>				<i>\$5,000</i>
<i>Annual Accured Interest 2.5%</i>	<i>June 1st, 2018</i>	<i>\$125</i>			<i>\$5,125</i>
<i>Annual Accured Interest 2.5%</i>	<i>June 1st, 2019</i>	<i>\$128</i>			<i>\$5,253</i>
<i>Repayment</i>	<i>June 1st, 2019</i>		<i>\$253</i>	<i>\$5,000</i>	<i>\$0</i>

Sample Repayment schedule- 5 year Term

	Date	Accrued Interest	Interest Payment	Balance Repayment	Balance
<i>Placement</i>	<i>June 1st, 2017</i>				<i>\$5,000</i>
<i>Annual Accured Interest 4%</i>	<i>June 1st, 2018</i>	<i>\$200</i>			<i>\$5,200</i>
<i>Annual Accured Interest 4%</i>	<i>June 1st, 2019</i>	<i>\$208</i>			<i>\$5,408</i>
<i>Annual Accured Interest 4%</i>	<i>June 1st, 2020</i>	<i>\$216</i>			<i>\$5,624</i>
<i>Annual Accured Interest 4%</i>	<i>June 1st, 2021</i>	<i>\$225</i>			<i>\$5,849</i>
<i>Annual Accured Interest 4%</i>	<i>June 1st, 2022</i>	<i>\$234</i>			<i>\$6,083</i>
	<i>June 1st, 2022</i>		<i>\$1,083</i>	<i>\$5,000</i>	<i>\$0</i>

Repayment:

Impact Hub Ottawa is looking for investors who are seeking a long-term investment. If for an unforeseen reason a bondholder would like principal repayment prior to maturity, we would help to facilitate the purchase and transfer to another bondholder. Principal and interest accrued is due and payable on the relevant maturity date.

FINANCIAL ANALYSIS

The below financial statements provide a consolidated view of Impact Hub Ottawa's financial history and projected growth by investing in a new home. With the support of the Board we have determined to fund the next phase of our growth with \$130,000 in new bonds, \$80,000 in loan debt, \$86,000 in confirmed advanced payments from co stewards in our dedicated team spaces, and the remainder in budgeted revenue that will together cover our total relocation budget of \$330,000.

Your investment will be allocated to new infrastructure, technology, and furniture that will enable growth of our member community and new revenue from dedicated space rentals that will return over \$125,000 per year.

Dedicated spaces for small teams is a service we have to date been unable to provide due to space restrictions, in some cases this meant we were unable to grow with our members. With a growing demand, we look forward to being able to respond to this service need in our new home. Doing so will not only strengthen our organization's earned income ratio but also harness our success stories by better growing with our members.

70% of this new revenue from dedicated spaces in 2017 has already been secured. All of this new revenue has been made in advanced payments for the first year to contribute to the relocation cash needs.

We feel confident in our ability to pay the necessary debt capitalization upon closing of the bond terms in 2-5 years through this new earned revenue line that provides stability through 1-3 year term agreements.

Key assumptions and notes in financial projections

- Overall conservative approach on projected revenue growth, at average of 3.6% a year
- Membership, space rental, and dedicated space price increases have been assumed at 2 year intervals in 2019 and 2021.
- Programming growth in 2017 is due to confirmed \$250,000 for the ONE Social Enterprise Partnership from the Ontario Ministry of Economic Development and Growth
- HR increased costs in 2017 are associated to funded staff member to support the ONE Social Enterprise Partnership
- Our 3 year Ontario Trillium Foundation funding will finish in 2017
- Assumed additional staff needed in 2021
- Full repayment of existing debentures January 1st, 2021

Overview of Financial History 2012-2016

	2012	2013	2014	2015	2016
Income					
Membership & Community	\$50,183	\$139,572	\$181,009	\$158,636	157,574
Programming	\$22,262	\$60,332	\$71,886	\$131,312	175,455
Space & Event Rentals	\$12,865	\$29,956	\$27,781	\$38,897	40,901
Organizational Funding			\$90,000	\$123,272	75,000
Total Income	\$85,310	\$229,860	\$370,676	\$452,117	\$448,930
Expenses					
HR Costs	\$58,858	\$98,884	\$225,341	\$276,963	\$258,145
Program-Specific Costs	\$7,308	\$18,067	\$19,677	\$16,876	\$17,491
Operating Costs	\$86,823	\$124,531	\$152,632	\$178,610	\$137,575
Marketing & Development	\$2,036	\$3,218	\$2,355	\$11,340	\$948
Total Expenses	\$155,025	\$244,700	\$400,005	\$483,789	\$414,160
Net Profit / (Loss)	\$ (69,715.00)	\$ (14,840.00)	\$ (29,329.00)	\$ (31,672.00)	\$34,770

Overview of Financial Projections 2017-2021

	2017	2018	2019	2020	2021
Income					
Membership & Community	184,000	207,346	215,986	224,583	233,942
Dedicate Space Rentals	74,225	124,440	132,330	132,330	137,853
Programming	328,767	228,380	240,000	245,264	255,257
Space & Event Rentals	49,850	66,000	68,400	68,400	69,768
Organizational Funding	75,000	-	-	-	-
Total Income	711,842	626,166	656,716	670,577	696,819
Expenses					
HR Costs	288,148	286,049	285,241	290,529	339,810
Program-Specific Costs	121,483	41,258	42,116	42,991	43,886
Operating Costs	194,254	208,905	213,610	221,965	220,097
Marketing & Development Costs	11,900	5,001	5,345	5,520	5,688
Total Expenses	615,785	541,213	546,312	561,005	609,481
Net Profit / (Loss)	96,058	84,953	110,404	109,572	87,338

Bond Repayment Analysis 2017-2022- Cash Flow

	2017	2018	2019	2020	2021	2022
Beginning Cash Balance	\$76,807	\$72,251	\$104,938	\$144,304	\$245,876	\$115,710
Incoming Cash						
Operations	\$638,249	\$581,900	\$656,716	\$670,577	\$696,819	\$721,498
Loans	\$80,000					
Bonds	\$130,000					
Prepayments	\$87,840					
Total Incoming Cash	\$936,089	\$581,900	\$656,716	\$670,577	\$696,819	\$721,498
Outgoing Cash						
Operations	\$604,107	\$541,213	\$546,312	\$561,005	\$609,481	\$661,371
Capitalization costs	\$331,205					
Loan Payments	\$5,333	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Bond Repayment			\$63,038		\$209,505	\$85,166
Total Outgoing Cash	\$940,646	\$549,213	\$617,349	\$569,005	\$826,985	\$754,536
Ending Cash	\$72,251	\$104,938	\$144,304	\$245,876	\$115,710	\$82,671

CORE TEAM

Katie Miller – Managing Director

Katie has been with the Impact Hub Ottawa team since its opening in 2012 and has taken on various roles within the organization from Director of Operations and Finances to Director of Learning and Development, becoming Managing Director in early 2016. She has a strong understanding of all aspects of the business and has a keen sense to ensure the sustainability of the organization, while staying true to its values and creating impact. Prior to joining the Impact Hub team, Katie gained an understanding of the business model of membership based networks through her role at the Ottawa Chamber of Commerce and was Treasurer of the Ottawa Centre EcoDistrict. Katie also holds a Honours Diploma in International Business.

Vita Sgardello – Community Lead

Vita joined the Impact Hub Ottawa team in 2017 and brings over 6 years experience in the Impact Hub global network through her previous roles as past member, host, and Managing Director at Impact Hub Milan. In addition, Vita brings a strong communications background to support the sharing of Impact Hub Ottawa members stories through her past experience as a journalist.

James Chan – Programming Lead

James joined the Impact Hub Ottawa team in 2015, bringing his background and experiences in Toronto's innovation and entrepreneurship ecosystem. Previously the Manager of Partnerships & Community Engagement at MaRS Discovery District, he also served on the Toronto Foundation's Vital Signs Advisory Board, was Vice Chair of the Board at Park People, Vice Chair of the Steering Committee at the Toronto Centre for Active Transportation, and longstanding member of Civic Action's Emerging Leaders Network.

Lisa Burbidge – Operations Lead

Lisa has been with the Impact Hub Ottawa team since 2015 and is our in-house event planner, operational guru, and data manager. With a background in customer service, Lisa helps host the Impact Hub Ottawa community while making sure things are running smoothly, and on budget.

BOARD OF DIRECTORS

Brian Toller

Current Chair 2016- Present

Brian is President of Tolcor Investments Ltd., a private investment firm. He is also Co-Owner of Cognitive Workshops, which provides continuing education for mental health professionals across Canada and in the UK. Previously, he was President of real estate developer The Expernet Group; Senior Consultant of DCH Consultants; President and Publisher of CREN Publishing, and a reporter with the Ottawa Citizen. On a community level, Brian is on the Board of the Community Foundations of Canada. He previously was on the Board of the Community Foundation of Ottawa for ten years, serving for three years as Chair where he led their move into responsible impact investing. Brian has chaired several committees at Ottawa Economic Development Corporation (now part of Invest Ottawa). He is an active supporter of the Ottawa arts community and numerous other local charities.

Tracey Clark

Past Chair and Board Member 2012 - Present

Tracey is the President and CEO of Bridgehead Coffee. Bridgehead serves fairly traded and organic coffees from small-scale farmers in fifteen coffeehouses in Ottawa, operates a central Kitchen, and operates a mail order service. Tracey holds an MBA and a Fellowship in International Development Management and previously worked at Mountain Equipment Coop and Newbridge Networks. She and her partner Gina have two wonderful children.

Jon Lomow

Board Member 2012 - Present

Jon has more than 20 years experience as an operator, investor, strategic advisor and communications specialist. Jon has spent his career developing innovative ideas and organizations that push beyond the typical, to forge new ways of solving complex commercial, societal and environmental problems. He has provided leadership or senior advisory services to organizations ranging from small not-for-profits to multi-billion dollar projects in sectors that span municipal and community infrastructure, education, agriculture, food & beverage, renewable energy, marketing communications, financial services, information technology and public policy.

Manu Sharma

Board Member 2012 - Present

Manu Sharma is an Engineer by education, Technology Entrepreneur by choice, and Community Activist at heart. He has spent the last 13 years building unique technology solutions and supporting young entrepreneurs. He has a strong strategic interest in creating opportunities to empower individuals, organizations, and communities. Manu is currently a Managing Partner with OAK Computing, an Ottawa based full service software development firm that he co-founded.

New Space Layout

