



# 2020

YEAR IN REVIEW

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**CBGF**™ | CANADIAN  
BUSINESS  
GROWTH FUND

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# Letter from CEO

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# Letter from CEO

**George Rossolatos**  
CHIEF EXECUTIVE OFFICER, CBGF

**“This is a letter to the women and men at the heart of our strong, innovative and resilient Canadian economy. They are our entrepreneurs. It is up to all of us to hear their voices and protect their visions as we move towards our national recovery.”**



2020 was an unprecedented year in many ways. Our world, our nation, our economy, our friends and family have all been affected by the COVID-19 pandemic. Many have lost loved ones and have experienced much grief and hardship and our hearts go out to those who have had to endure these losses. While the health of our nation should be our biggest priority, I would like to briefly acknowledge our entrepreneurs and business owners who have endured an unprecedented challenge. Having interacted with almost 200 SMEs this past year, I look back with profound admiration, appreciation and hope for our nation as a result of the resiliency I have witnessed in our entrepreneurs and businesses.

The [Canadian Federation of Independent Business](#) warns that more than 239,000 businesses either have or are on the path to vanish due to COVID-19 with an increasing number of entrepreneurs considering giving up, putting as many as 2.4 million jobs at risk – one fifth of our private sector workforce. These numbers are staggering and cast a shadow on the great work our entrepreneurs have dedicated themselves to in starting their own business.

To our entrepreneurs, I want to acknowledge your uniqueness as well as the courage, vision, and determination which drove you to build your own business and the mix of joys, triumphs, challenges, and obstacles you have navigated ever since. At times, I think the impact of our entrepreneurs is underappreciated. They are responsible for creating over 75% of employment growth in Canada year in and year out. They are the primary drivers of our economy and our country's prosperity. With their innovative ideas, their determination to succeed, and their ability to see what others do not, entrepreneurs help determine the future of hope, growth, and opportunity for our nation. They set an example for all of us to follow.

There is one other characteristic that all entrepreneurs share: a willingness to take calculated risks and bet on themselves knowing that success is not a given. However, despite their distinct vision and ability to weigh all the pros and cons of their business venture, COVID-19 was a risk that very few could have factored in.

At the Canadian Business Growth Fund (CBGF), we speak to mid-market entrepreneurs every day. I suspect they share with us the same things that many entrepreneurs have been thinking over the last couple of months. "How will we get through this? How do I continue to keep my employees safe, engaged and employed? Am I doing everything possible to ensure my company survives as lockdowns and restrictions continue? How do I take care of my own mental health, having to quietly shoulder stress levels that I have never experienced before? How do I reassure my family and my employees' families that everything will be ok? Is there a path forward?"

Canadian entrepreneurs have always been defined by their resilience. We've seen that in previous crises such as the dot-com craze of the early 2000s, which soon turned into the dot-com bust. Then there was the financial crisis of 2007, where there was, in the words of a bank CEO, "no light at the end of the tunnel". What Canadians have learned through these years, is that with the right support, and awareness of your importance, our entrepreneurs today too can emerge from this uncertainty and return to their plans for growth.

In addition, we have seen the magnitude of support and efforts by government and institutions that have protected our potential to recover. With unprecedented co-operation, our institutions, our major banks, and all levels of government have stepped up with fast and decisive action and continue to do so to this day.

However, these actions have not been a cure-all. Sadly, for some of them, it was too late, or just not enough. For those that have had to endure the emotional and financial pain of closing your business and saying goodbye to your wonderful loyal employees, we feel for you. We sincerely hope these entrepreneurs can land on their feet and return to fight another day, in another venture, harnessing their creativity yet again.

But for many, the rapid government and institutional response served to keep the lights on. But we know sustained growth will not return with a flick of a switch. We need co-ordinated action and creative solutions from both the public and private sectors to leave the question of survival behind and get back to thinking about growth this year and in the years to follow.

Of course, there is one issue around growth that existed well before COVID-19. That is access to the capital needed for our businesses to expand, innovate, and grow. In 2020, many funding sources focused on the mid-market sector became more cautious, leaving our mid-market entrepreneurs with few options for equity capital infusions. Left standing alone to battle this storm, many entrepreneurs have already exhausted their bank and government options.

Governments and banks have committed so much toward sustaining our companies during the pandemic that their ability to invest in growth as we continue to weather the storm will be limited. They can only do so much.

CBGF has continued to invest during the crisis. Instead of putting a pause to our activity to wait out the storm, we have made the conscious effort to lean in, push ourselves to think more creatively, and find ways to help Canadian entrepreneurs while keeping within our mandate.

Our entrepreneurs have made bold and courageous decisions to take on the responsibility of creating jobs for others. As an investor, our goal is to match their drive and determination with solutions to help them continue to run their business and get back to growth.

Even with signs of improvement gradually beginning to appear with the introduction of COVID-19 vaccines, any recovery will take time and face obstacles, and immediate optimism may be hard to summon. I would like our entrepreneurs to know that we empathize with them, and we are pulling for them as they continue to push through this challenging time.

We are grateful for their sacrifices, courage, and commitment to Canada. We believe that our entrepreneurs can come back bigger and better than before. CBGF will continue to do our part to help support the next stages of growth.

With great admiration,



George Rossolatos  
CEO  
Canadian Business Growth Fund

# Approach

# Our Proactive Approach to Investing in a Time of Uncertainty

## Our Fund

CBGF provides long-term, patient, minority capital to ambitious entrepreneurs to fund growth and expansion of mid-market businesses with investments between \$3 and \$20 million. An evergreen investment fund with an initial capital commitment of \$545 million and projected future contributions to reach \$1 billion, CBGF is committed to long-term partnerships with the companies it invests in. As part of its mission to drive growth, CBGF connects business leaders and sector experts to help its partner businesses achieve their full potential.

## 2020 Approach

Throughout 2020, our team has worked hard to continue to invest in great, growing Canadian businesses. Despite the uncertainty caused by the pandemic, our team was able to pursue a disciplined investment strategy that allowed us to achieve our goals for 2020.

## Our Philosophy

When we invest, we follow a partnership approach – adding value through relationships and strategic counsel, listening and understanding before we act, and making sure that we properly align on control, strategy and exit horizon.

In everything we do, we strive to be fair and reasonable, to exercise discipline when making decisions, and to treat all our stakeholders with respect.

## Our Investment Criteria

We continue to seek companies based in Canada that are generating over \$5 million of revenue, with an entrepreneurial management team and significant expansion opportunity.

CBGF will invest between \$3-\$20 million for a 10% to 40% minority equity stake in the business, allowing the company to control their exit timeline.

**Despite the uncertainty caused by the pandemic, our team was able to pursue a disciplined investment strategy that allowed us to achieve our goals for 2020.**



# Year in Review

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# 2020 Highlights

Note: Investments highlights below are between Jan 1, 2020 and Dec 31, 2020



CREATING SUCCESSFUL FUTURES

CBGF invested in Xello in May 2020



CBGF invested in Maxsold in May 2020, marking our first investment in Kingston, ON



CBGF invested in ThoughtWire in May 2020



Professional Smartphone Repair

CBGF realized its first exit, supporting the sale of Mobile Klinik to Telus Corp. in July 2020



CBGF invested in Busbud in July 2020, marking our first investment in Quebec



CBGF invested in LifeRaft in October 2020, marking our second investment in Halifax



CBGF announced that Affirm had entered into an agreement to acquire Paybright



CBGF completed a follow-on investment in Unyte in December 2020

JANUARY 2020



CBGF invested in Environmental 360 Solutions Inc. in March as our first investment in 2020



CBGF invested in Proposify in June 2020, marking our first investment in Nova Scotia



CBGF invested in Librestream in June 2020, marking our first investment in Manitoba. In December 2020, CBGF completed a follow-on investment in the company



CBGF completed a follow-on investment in Appnovation in September 2020



CBGF completed a follow-on investment in Lift Auto Group in December 2020

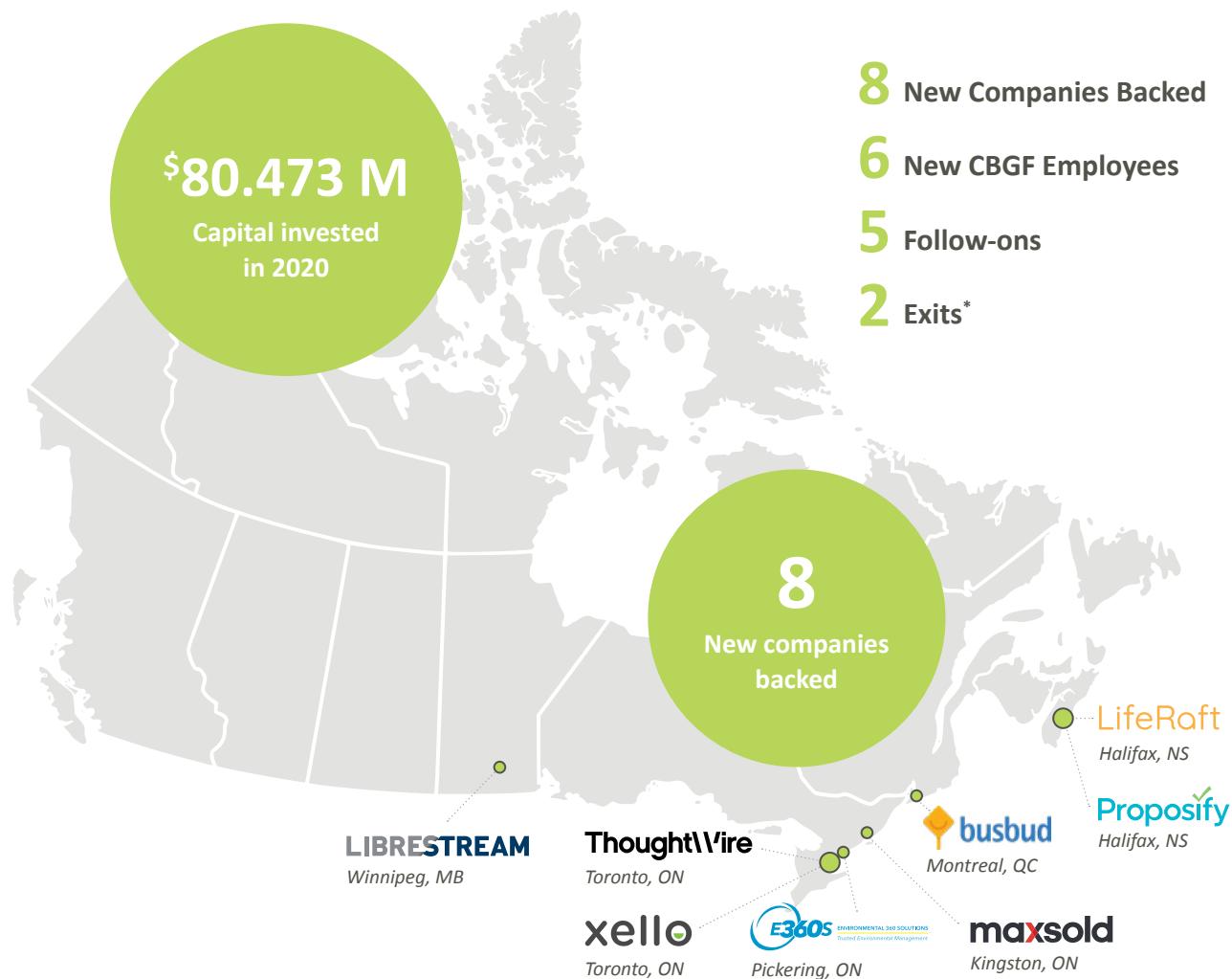


CBGF completed a follow-on investment in Prodigy in December 2020

DECEMBER 2020

# 2020 Investment Summary

*Note: All numbers are as at December 31, 2020*



At the end of each year, we look back at the progress we have made and assess our impact on the Canadian economy. In 2020, our team worked hard to close eight new partnerships, bringing our portfolio to a total of 16 growing Canadian companies. In addition to these eight new investments, CBGF executed five follow-on investments to support existing portfolio companies. CBGF also saw two exits during 2020\*. CBGF added 6 new members to our team, bringing our headcount to 21.

With these investments, CBGF deployed \$80,473,000 million in capital in 2020, investing in the growth of Canadian businesses. With this capital, CBGF has

continued to play its part in supporting the Canadian economy amidst the COVID-19 pandemic. The companies we have backed this year can be found across Canada, in Manitoba, Ontario, Quebec, and Nova Scotia.

CBGF is proud to have been one of the most active growth capital investors during the COVID-19 pandemic. Despite the uncertainty in the market and the shock to our economy as a result, we are grateful to be able to continue to support the growth of these impressive Canadian companies, and our Canadian economy. Thanks to all of our stakeholders, partners, advisors, and all of those who have shown support in 2020.

\*PayBright investment exit closed Jan 1, 2021

# Activity Since Inception

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# Overall Activity Since 2018

*Note: All numbers are as at December 31, 2020*

As of December 31, 2020, CBGF has invested a total of \$169 million since inception. We have backed a total of 16 growing Canadian companies, who employ 2,863 people, of which 2,545 are Canadian. With the support of our capital, our portfolio companies have together created 814 new jobs globally, with 672 being in Canada. With our progress to date, CBGF is becoming one of the most active growth capital investors in Canada and we hope to continue this trend into 2021 and the years to come.



\*One investment exit closed on Jan 1, 2021

# Portfolio

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# Portfolio Map



# Portfolio Summary

Note: Portfolio shown below is as at December 31, 2020



Full-Service Digital Consultancy  
Invested July 2019  
Vancouver, BC



Global Bus Booking Platform  
Invested July 2020  
Montreal, QC



Environmental Waste Management  
Invested March 2020  
Pickering, ON



Augmented Worker Solutions  
Invested June 2020  
Winnipeg, MB



Security Intelligence Software  
Invested October 2020  
Halifax, NS



Auto-Collision Repair Consolidator  
Invested September 2018  
Kelowna, BC



Downsizing Business Services  
Invested May 2020  
Kingston, ON



Retail & Commercial Technology Repair  
Invested May 2019  
Exited July 2020  
Toronto, ON



Consumer Payments & E-Commerce  
Invested December 2018  
Exit Announced December 2020  
Toronto, ON



Game-Based Learning Platform  
Invested May 2019  
Burlington, ON



Proposal Automation Software  
Invested June 2020  
Halifax, NS



Digital Video Distribution  
Invested May 2019  
Victoria, BC



Digital Twin Property Technology  
Invested May 2020  
Toronto, ON



Mental Health Solutions & Services  
Invested May 2020  
Toronto, ON



Cloud Commerce Solutions Distribution  
Invested July 2019  
Saskatoon, SK



CREATING SUCCESSFUL FUTURES

Career-Readiness Solutions  
Invested May 2020  
Toronto, ON

# Shareholders

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# Shareholders

Canada's leading banks and insurance companies came together to form CBGF, providing Canada with an independent, private sector fund that is focused exclusively on the patient minority capital gap facing mid-market Canadian growth companies.

We are proud to have the continued support of Canada's leading financial institutions, and with our partnership, CBGF will continue to identify and back the next generation of Canadian business success stories.



# CBGF Team

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**George Rossolatos**  
CEO



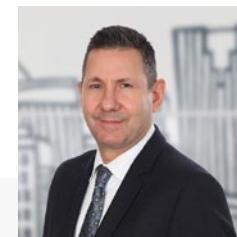
**Dale Tingley**  
SENIOR INVESTOR



**Hai Tran-Viet**  
SENIOR INVESTOR



**Karoline Elkind**  
CHIEF FINANCIAL OFFICER



**Rod Wechsler**  
DIRECTOR OF PORTFOLIO MANAGEMENT



**Brian Heftner**  
INVESTOR



**Mark D'Silva**  
INVESTOR



**Clarissa Campoli**  
ASSOCIATE INVESTOR



**Kyle Zacks**  
ASSOCIATE INVESTOR



**Jamie Learmonth**  
INVESTMENT ANALYST



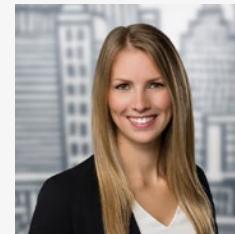
**Jordan Allen**  
INVESTMENT ANALYST



**Marisa Tartari**  
INVESTMENT ANALYST



**Robert Chen**  
INVESTMENT ANALYST



**Leah Inglis**  
VALUATION MANAGER



**Keith Townsend**  
VP INFORMATION TECHNOLOGY



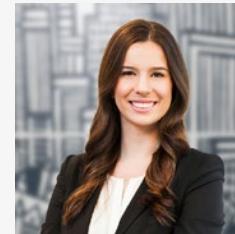
**Femi Adeyemi**  
ACCOUNTING MANAGER



**Naxin Zhang**  
SENIOR ACCOUNTANT



**Anna Gilliatt**  
MANAGER, OFFICE OF THE CEO



**Grace Reynolds**  
EXECUTIVE ASSISTANT TO  
SENIOR INVESTORS



**Erica Calizon**  
ADMINISTRATIVE ASSISTANT



**Nafia Hassan**  
IT SUPPORT & DATA ANALYST



HELPING CANADIAN ENTREPRENEURS

**think BIG.**

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