



PRI Opportunity Outline

This document provides an outline of a program-related investment (PRI) that Venn Foundation (Venn) is planning to make based on donor support. Venn is considering this PRI primarily to advance its charitable purpose and not with the significant goal of producing income, although financial return hopefully will also result. This PRI is a high-risk, charitable investment for Venn Foundation.

Recipient: Binary Bridge, SBC

Recipient Overview

Binary Bridge creates hi-tech solutions for humanitarian medical teams and rural clinics in developing countries, allowing them to serve more people and provide better care than ever before. Existing electronic medical records (EMRs) are far too complex and expensive for humanitarian medical missions and offer no mobility for conditions in remote areas of developing countries lacking internet access. BackpackEMR, a portable, rugged EMR, fills this gap by functioning offline while still storing data to the cloud and does not require internet connectivity to share data with other devices. It is designed specifically for remote locations where internet is not available.

Charitable Purpose Summary

The primary purpose of this PRI is to promote the health of populations that are “poor or distressed” by supporting further development of the company’s BackpackEMR solution as well as its deployment to health organizations in or serving under-resourced communities, especially those in developing countries.

Overview of Investment Terms

Below is an overview of the PRI terms. Please note that Venn does not sell securities to investors but rather provides a unique charitable investment opportunity to its donors, who make recommendations. Donors themselves will not profit from supporting this PRI. Venn will allocate any financial return that may result back into each participating donor’s Venn Account for donors to recommend be redeployed as new PRIs or as grants to other nonprofits.

1. \$50k - \$200k unsecured loan by Venn Foundation with warrant
2. Standard repayment terms
 - a. Year 1-2: No payments; simple interest accrues at 2% and is paid in full at end of Year 2.
 - b. Year 3-5: Annual interest-only payments; simple interest at 3%, 4%, and 5% in Years 3-5 respectively.
 - c. Principal to be repaid in two balloon payments at end of Year 5.
3. Earlier payback triggered by various events, such as but not limited to...
 - a. Binary Bridge earns \$1M in annual revenue in any given fiscal year.
 - b. Binary Bridge is liquidated, sold, or acquired.
4. Other Terms
 - a. 10-year warrant for 20% of PRI principal.
 - b. No dividends to shareholders until loan and accrued interest are repaid in full.
 - c. Annual impact report due to Minnesota Secretary of State each March.

Fundraising Progress

As of September 2018, Venn Foundation has completed two closings for a total of \$100,000 with the recipient on these terms. The capital for this initial closing was donated to Venn Foundation by three private foundations, one business, and seven individuals. Venn will continue accepting donations and recommendations toward this PRI through October 2018 when it plans to complete a third closing. The overall fundraising target for this PRI is \$200,000.

Small Admin Fee - Only if PRI Succeeds

Donor-advised fund sponsors usually charge donors an annual administrative fee of around 1% calculated and paid monthly on the entire account balance. However, Venn only charges donors a fee if and when the PRIs they support are successful, allowing donors to reuse their charitable dollars. For this PRI loan to Binary Bridge, donors pay an annual 1% fee only if the PRI is succeeding. For the PRI warrant, Venn allocates the first 20% of any return to its own operations. All other PRI returns go back to donor accounts pro-rata based on their initial participation where donors can recommend redeployment as new PRIs or grants to nonprofits.

Requests for Shared Due Diligence

Venn Foundation conducts its own thorough due diligence on every PRI opportunity before making it available for donor support so that every PRI it makes is done legally, responsibly, and with reasonable terms and conditions that will, in Venn's own judgement, increase the likelihood of success for the PRI and its primarily charitable purpose.

That said, prospective donors should not rely on Venn Foundation's internal due diligence as an endorsement that any particular PRI opportunity is appropriate for their own support or as an indication that any given PRI will ultimately succeed. Donors are responsible for independently evaluating the merits of each PRI opportunity and ultimately for making the decision to recommend that their donations be used by Venn to support a particular PRI opportunity.

As a matter of policy, Venn does not share its own internal due diligence findings with prospective donors for three main reasons.

1. Diverse Standards

Venn operates in a unique investment context in which charitable impact is a primary consideration and financial expectations are purposefully below-market. In this context, donors can have very different standards for charitable impact, for assessing risk, and for determining what makes a PRI opportunity attractive or not. What each donor expects of and concludes from a due diligence process can vary greatly.

2. Sensitive Information

Due diligence often involves reviewing sensitive and protected information. It is more appropriate that the PRI recipient retain control over which parties are seeing what information than for Venn to play this role.

3. Role Definition

Venn sees its role as making a wide variety of PRI opportunities available and known to prospective donors. Venn's role is not to persuade donors to support any one PRI opportunity over another. That role is more appropriately and effectively played by PRI recipients and by other donors who are supporting the PRI.

Venn appreciates that donors may want more information about a particular PRI and PRI recipient than is provided here before making a donation or distribution recommendation. Just as is the case when donors recommend traditional grants to nonprofit organizations from a donor-advised fund, Venn encourages donors to speak directly to the PRI recipient and to other donors already supporting the PRI to further evaluate the PRI opportunity themselves before making a donation or distribution recommendation decision.

Anchor Donor Contact

An anchor donor for the Binary Bridge PRI has generously agreed to make himself available to prospective donors for conversations about the PRI opportunity. His name is Aaron Desmond from the Kairos Foundation. Please feel free to reach out to him at aaron@desmond.com with your questions.

Recipient Contact

Interested donors may also reach out to Lori Most, Founder & CEO, at lori.most@backpackemr.com.

Next Steps

If you would like to support Venn Foundation in making this PRI, please complete the accompanying "Pledge Form" and email it to Jeff Ochs, CEO of Venn Foundation, at jeff.ochs@vennfoundation.org. You will be asked to submit your pledge payment and formal PRI distribution recommendation before October 31, 2018 at the latest.