



11B-90

**Annual Benefit Report
of
FINNEGANS SBC,
a Minnesota Specific Benefit Corporation**

Date 28th of March, 2018

History of FINNEGANS SBC

FINNEGANS Inc. was founded in 2000. The goal was to create a tasty, locally-brewed beer company that donates 100% of its profits to the community. The company was co-founded by Jacquie Berglund, current FINNEGANS CEO and Rambunctious Social Entrepreneur, with Kieran Folliard (previously of Cara Pubs and 2Gingers Whiskey). On January 2, 2015, the company elected to become a Specific Benefit Corporation under Minn. Stat. §304A. Today, FINNEGANS SBC ("SBC") is a self-sustaining and inspiring social business, that donates 100% of profits to the FINNEGANS Community Fund, a Minnesota non-profit that has obtained 501(c)(3) exempt status (the "Fund"). Early activities and support from the Fund focused on innovative homelessness initiatives, at risk youth, hunger alleviation and more critical issues facing local communities. Since 2011 the Fund has targeted hunger alleviation. To advance that mission, SBC's mission became Turning Beer into Food. SBC provides monetary support to the Fund and food bank partners funding fresh local produce for those in need. SBC also supports the Fund to serve as catalysts for social entrepreneurs in order to charitably advance social purpose.

FINNEGANS runs on the belief that we are all responsible for creating healthy communities and the belief in creating and supporting self-sustaining business models that have a positive social impact in the community. SBC and the Fund create awareness and action about critical community issues through projects that are fun, social and a win-win for volunteers, pro-bono partners and business partners. Our CEO often shares lessons learned and the FINNEGANS story with other organizations and businesses in hopes of inspiring others to engage in making a difference. Through FINNEGANS-branded products, events, promotions and strategic partnerships, SBC continues to sponsor impact in Minnesota, Wisconsin, North Dakota, South Dakota and Iowa. In 2012, FINNEGANS was awarded the Small Business of the Year Award by the Minneapolis Chamber of Commerce. FINNEGANS also received the Social Entrepreneur of the Year award from Minnesota Business Magazine.

FINNEGANS SBC has moved into a new chapter in 2017, and has set up a licensing agreement with FINNEGANS Brew Co, under which FINNEGANS Brew Co will build and operate a new brewery and taproom and take over production and distribution of product in exchange for royalties to be paid to SBC. This new structure will shield FINNEGANS SBC from the high capital investments of a new brewery, taproom and production brewery equipment and staff. It also provides the framework to potentially take FINNEGANS' model and mission to other regions of the U.S.

For the latest information, find FINNEGANS on [Twitter](#) and [Facebook](#) or visit finnegans.org.

Key Leadership

Jacquie Berglund is The Rambunctious Social Entrepreneur, CEO and Co- Founder of FINNEGANS, the first beer company in the world to donate 100% of profits to fund food for those in need. Berglund has championed an innovative, market-based approach to addressing and raising awareness about food security in communities across the Midwest.

Berglund graduated from Augsburg College with a degree in communications and political science and has a Master of Arts Degree in International Relations and Diplomacy from the American Graduate School in Paris, France. Berglund has pursued her entrepreneurial spirit to make the world a better place, from serving an important role in bringing together government officials through the OECD to train Baltic countries in market economy laws, to serving as Marketing Director at the successful Cara Pubs where the spark for FINNEGANS began.

As the tenth largest Minnesota beer company, SBC has generated more than a million dollars in impact to the community through FINNEGANS profits, partnerships and successful events while raising significant awareness about local hunger issues. Driven to innovate, with astute leadership and the ability to rally people and organizations for a cause, Berglund has built the longest running social enterprise to donate 100% of profits behind Newman's Own in the U.S.. She has built a team of four full-time and one part-time staff dedicated staff and engaged thousands of supporters to move the mission forward and scale FINNEGANS' impact.

Berglund's trail blazing social enterprise has earned her prominent accolades over the years: B. Warren Hart Distinguished Service Award (St. Paul Jaycees 2014), "40 under 40" nomination (Minneapolis St. Paul Business Journal 2005), Ten Young Outstanding Minnesotans (MN Jaycees), and in 2010 Berglund was featured on CNN's "Leaders with Heart" and "Small Business Success Stories" segments. Berglund was also named one of the "200 Minnesotans You Should Know" (Twin Cities Business Magazine) and a 100 Year Centennial Award honoree (Girl Scouts). Most recently, Berglund has been awarded a 2014 Bush Fellowship, and in 2016 founded the FINNnovation Lab, a social impact business accelerator. In 2017 Berglund was a "50 over 50 Honoree" by AARP Minnesota.

Election as a Specific Benefit Corporation

On January 2, 2015 FINNEGANS became a Specific Benefit Corporation and elected to pursue the following specific public benefit purpose:

To generate profits from FINNEGANS branded products to support social enterprise businesses and programs focused on hunger alleviation in the communities where FINNEGANS products are sold.

With regard to the period covered by this report, January 1 2017 to December 31, 2017, FINNEGANS SBC (SBC) pursued the specific benefit purpose stated in its articles of incorporation and succeeded in achieving the goals of our specific benefit purpose in the following ways:

To pursue the specific benefit purpose, SBC conducted the following activities, generating donations for the Fund to support programs that provide food for those in need and to serve as a catalyst for social entrepreneurs in order to charitably advance social purpose.

Promotions

Drink Like You Care Campaign

SBC continued its annual campaign that leverages matching donations from beer distributors based on sales of brews to retail from Nov 1 - Dec 31. Over \$8,933 were raised for the Fund during the 2017 campaign.

Pub Crawls & Pub Parties

Throughout the month of March 2017, SBC organized various Pub Crawls and Pub Parties to garner brand and community support for our mission. SBC sponsored and funded these events that had raised \$1,327 for the Fund in 2017.

Retail Engagement & Partnerships

Craft & Crew: The restaurant group comprised of Stanley's NE Barroom, The Rail Station, Pub 819 and The Bar donates \$.50 per pint of FINNEGANS brews sold to consumers, year round, to the Fund. SBC sponsors promotional and event support for these accounts.

Chef Food Fight: Local Chefs were invited to develop a menu item using FINNEGANS Beer and sell it on their menus for the month of March. Each establishment decided the donation amount per menu item sold to benefit MN FoodShare's March Campaign. 14 local establishments and chefs participated. SBC provided promotional and staff support.

FINNEGANS Reverse Food Truck Fleet

SBC operates the unique Reverse Food Truck (RFT) to collect food and donations, rather than to sell food. The original RFT expenses and maintenance were funded by SBC so that all donations received go directly to the Fund. In 2017, \$14,392 in cash donations were raised through the Reverse Food Truck fleet efforts, with an additional estimated 19,016

lbs. of food items collected. All expenses, promotional support and coordination of the RFT Fleet are sponsored by SBC.

An additional RFT was gifted to SBC by Thrivent Financial, following a successful two-year collaboration. That RFT will be used to generate future donations to the Fund.

The RFT fleet also includes three vehicles either donated or decorated ("wrapped") by SBC's beer distribution partners so that the reach of the RFT concept can raise funds and awareness for the Fund throughout the state of Minnesota. These vehicles are used with promotions and week-long or multiple day food drives that are sponsored by SBC.

MNFoodShare March Campaign Partnership

In 2017, SBC sponsored month-long promotions (for example, Chef Food Fight) to raise awareness, as well as cash and in-kind food donations to support the MNFoodShare March Campaign. \$1,449.50 in cash donations were raised for MNFoodShare's March Campaign, as a part of greater awareness raising and marketing efforts.

MS150 Team Sponsorship

SBC sponsored a hospitality tent through which \$275.50 in cash donations received went directly to the Fund. Team FINNEGANS MS150 riders raised over \$150,000 for the MS Society.

Media & Social Media

SBC also directs resources towards media and social media, to support Fund activities, promote social enterprise, and increase awareness for hunger in our communities. There were 14 news articles in 2017 in publications that include, but were not limited to, Fast Company, Finance & Commerce, Star-Tribune, Twin Cities Business and more. Jacquie Berglund was also a guest on MPR's Conversations on the Creative Economy, giving an in depth and personal account of FINNEGANS Business model and mission. For a recent list of stories visit www.finnegans.org/news. Social Media accounts have an estimated combined 2,089,561 impressions with 24,452 engagements and a total of over 19,000 followers.

Administrative Services

SBC provides all administrative services for the Fund, to ensure that any financial support from these events and promotional activities support the Fund.

The Fund's Efforts To Alleviate Hunger

The Fund supported these programs aimed at alleviating hunger:

The Food Group's Harvest for the Hungry Program: The Food Group is the largest food bank recipient of donations by the Fund. The Fund contributes to the Harvest for the Hungry Program, which purchases (\$1/pound) local mostly organic produce (supporting local food movement in an economically sustainable way) that is then distributed to food shelves across the state to become a meal for those in need.

Hunger Task Force and the Hunger Relief Fund's produce program: The Hunger Task Force operates innovatively, running a farm in Milwaukee to supply nutritious food for food pantries. They have further worked with the Fund to create a network of food pantries around the state that source produce locally (or grow their own) with donations given by the Fund.

Great Plains Food Bank: Based in Fargo ND, Great Plains Food Bank receives substantial produce donations from ND farms, and the Fund's donations cover transportation costs to bring this produce to food shelves across the state.

City serve over 65,000 people individually each year, and provide food for 100,000 people elsewhere across the state. The Fund's donations cover transportation costs to bring produce to food shelves across the state.

Iowa Food Bank Association: The Iowa Food Bank Association (IFBA) is a collaboration of the eight Feeding America food banks that serve all Iowa's 99 counties. The Fund's donations support various produce programs throughout the state.

We pride ourselves in partnering with these and other innovative organizations and programs to alleviate hunger.

Fostering social entrepreneurship

Various speaking engagements by Berglund and Fund volunteers focused on sharing the social enterprise model at handful of local organizations events.

One-on-one meetings and continued communications have been held throughout the year to share knowledge and learnings with other established or start-up social businesses and to foster mutual support.

We are seeking to learn from conversations and a conference with Newman's Own Foundation. Jacquie Berglund has had the opportunity to connect with their leadership, garner funding for the Fund and also share FINNEGANS model and mission with others across the U.S. in Newman's Own's Philanthropic Enterprise Peer Group.

FINNternship Program

8 FINNterns (Interns) were a part of FINNEGANS throughout 2017, to learn how social enterprises run and to gain hands-on, real world experience. Professional development and networking opportunities are built in to this program. All program expenses and administration are sponsored by SBC.

Charitable Event In-Kind Donations

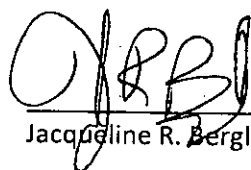
Along with the above activities, in 2017 SBC supported hunger alleviation and other charitable causes through in-kind donations. These range from beer donated for events to merchandise, Charitably Delicious Tour Certificates and other silent auction items.

The following is a description of what prevented us from achieving the specific benefit purpose, to the extent that we did not pursue or create the specific benefit purpose in this reporting year.

The craft beer landscape has been challenging and rapidly changing. Our 2017 profits were less than our goals due to this challenging environment. In order to address this challenging industry landscape we are moving to a licensing model. In 2018 FINNEGANS Brew Co. will license the FINNEGANS SBC trademarks and recipes in exchange for a royalty based on profits. Through this licensing agreement, SBC will continue its efforts to donate 100% of its profits to support social enterprise businesses and hunger alleviation consistent with its specific benefit purpose.

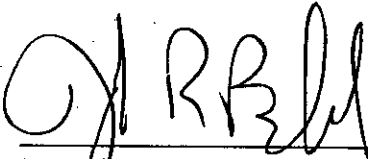
CERTIFICATION BY THE BOARD OF DIRECTORS

The undersigned, being the sole director of FINNEGANS SBC, hereby acknowledges and certifies that she has reviewed and approved the enclosed Annual Report.


Jacqueline R. Berglund

SUBMISSION:

I, the undersigned, certify that I am the Chief Executive Officer of this Public Benefit Corporation. I further certify that I have signed this document no more than 30 days before the document is delivered to the Secretary of State for filing, and that this document is current when signed. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.



Jacqueline R. Berglund



Work Item 1009466500031
Original File Number 11B-90

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
FILED
03/29/2018 11:59 PM

Steve Simon

Steve Simon
Secretary of State