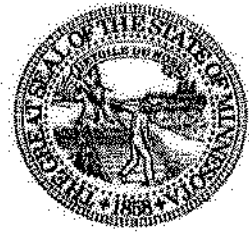


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Office of the Minnesota Secretary of State
Minnesota Public Benefit Corporation / Annual Benefit Report
Minnesota Statutes, Chapter 304A



Read the instructions before completing this form
Must be filed by March 31
Filing Fee: \$55 for expedited service in-person, \$35 if submitted by mail

The Annual Benefit Report covers the 12 month period ending on December 31 of the previous year.
Notice: Failure to file this form by March 31 of this year will result in the revocation of the corporation's public benefit status without further notice from the Secretary of State, pursuant to Minnesota Statutes, Section 304A.301

- 1. Corporate Name: (Required) CLOUDBURST, SPC
- 2. The public benefit corporation's board of directors has reviewed and approved this report.
- 3. In the field below, enter the information required by section 304A.301 subd. 2 or 3 for the period covered by this report, (see instructions for further information); Note: Use additional sheets if needed. (Required)

SEE ATTACHED

4. 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.

[Signature]
Signature of Public Benefit Corporation's Chief Executive Officer

MARCH 25, 2020
Date (Must be dated within 30 days before the report is delivered to the Secretary of State for Filing)

Email Address for Official Notices
Enter an email address to which the Secretary of State can forward official notices required by law and other notices:

ACCOUNTS @ CLOUDBURSTSTUDIO.COM
 Check here to have your email address excluded from requests for bulk data, to the extent allowed by Minnesota law.

List a name and daytime phone number of a person who can be contacted about this form:
ZACK STEVEN 612-405-8636
Contact Name Phone Number

Entities that own, lease, or have any financial interest in agricultural land or land capable of being farmed must register with the MN Dept. of Agriculture's Corporate Farm Program.

Does this entity own, lease, or have any financial interest in agricultural land or land capable of being farmed?
Yes No



**Calendar Year 2019
Annual Benefit Report
of
Cloudburst, SBC**

A Minnesota Specific Public Benefit Corporation

March 24, 2020

CLOUDBURST

SBC

Cloudburst, SBC ("Cloudburst") was incorporated on January 9th, 2018 as a Specific Benefit Corporation under Minnesota's Public Benefit Corporation Act (the "Act").

Pursuant to Section 304A.101 of the Act, Cloudburst's specific public benefit purpose is:

To enable fulfilling and flexible careers in technology and entrepreneurship, with an emphasis on underestimated communities.

We believe that careers in technology and entrepreneurship play a key role in creating fulfilling lives by providing the opportunity for flexibility, autonomy, and craftsmanship. Humans thrive in these conditions. We are on a mission to make these careers more readily available to people of all backgrounds, particularly those who have been underestimated (based on race, gender, class, geography, or otherwise). We also aim to reduce the barriers to founding and scaling technology-based and technology-enabled businesses by making software development more accessible and affordable.

REPORT

For the period from January 1, 2019 to December 31, 2019, Cloudburst pursued the specific public benefit purpose stated in its articles of incorporation in the following ways:

With our team: Hone Your Craft. Love Your Life.

1. Hired 4 employees, with elective FTEs ranging from 0.5 to 1.0, and an average of 34.6 hrs/week
2. Hired two contract marketing coordinators from underestimated communities to work on projects for Cloudburst and our clients
3. Paid team members for 460 hours of Cloudburst X time to work on 20 of their own projects and community initiatives
4. Adjusted holidays to a "choose when you want to use" format, creating flexibility for employees to celebrate what they want, when it matters most to them
5. Created a "choose how much vacation you want" paid time off policy, with compensation prorated accordingly, building flexibility for employees
6. Hired a Chief Product Officer to focus on bringing new value and expertise to the entrepreneurs we work with
7. Began hosting monthly team meetings sharing financial results and business strategy
8. Implemented a revenue share bonus for all employees
9. Started offering medical, dental, vision, life and disability insurance for employees and families, including a health savings account and monthly contribution
10. Started a 401(k) plan with opt-in by default and company match

CLOUDBURST

SBC

11. Further refined and articulated our EPIC core values: Entrepreneurship. Partnership. Impact. Craftsmanship.

With our clients: Get Started.

1. Had complimentary coffee meetings with 25 early stage founders to discuss their ideas and invested 100 hours in discovery sessions to explore early stage ideas.
2. Formalized our Simple Agreement for Shared Success which allows service providers to invest time in startups for a non-dilutive share of future revenues. We had it reviewed by legal counsel and published it on our website for others to use.
3. Added 3 clients to our Simple Agreement for Shared Success (SASS) portfolio and invested \$68,000 in their projects in exchange for a share of future revenue.
4. Total SASS investments for the year, in existing and new clients, totaled \$124,000

In the community: Bold North.

- Sponsored Techquity, a professional platform for African-Americans in technology and their CodeSwitch Civic Hackathon.
- Sponsored Founders Brownbag panel event
- Sponsored the launch of IterationsMN, an online entrepreneurship and tech publication as part of our Cloudburst X initiative
- Participated in periodic Ecosystem Builders Breakfast round table
- Launched a series of "Founder Friendly" events with community partners:
 - Led a MinneBar session on Founder Friendly Ways to Get Started and Get Funded.
 - Hosted a panel conversation at MEDA on "Founder Friendly Alternatives to Venture Capital" featuring 2 founders of color and 2 female founders along with Indie.VC Managing Partner Bryce Roberts. Over 125 tickets ordered.
 - Hosted Twin Cities Startup Week conversation on "Founder Friendly ways to Get Started and Get Funded" with Kevin McArdle of Earnest Capital and SureSwift Capital attended by over 50
 - Facilitated a panel on "Founder Friendly Ways to Get Started" with Finnovation Lab featuring Rob Walling of TinySeed, and 2 founders of color and one female founder. It was sold out at 75 tickets.
- Continued to offer free drop-in coworking and connection in our office for aspiring entrepreneurs and developers

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Employee testimonials

For the past two years, working at Cloudburst has improved my quality of life in many ways. First and foremost, the unprecedented level of flexibility in when, where and how much I work has created ease and reduced tension between my work and personal responsibilities.

As a parent and partner, I am able to be much more generous with my time. And I don't mean just for essential things like a child's unexpected illness or a school meeting — I mean even for small things like deciding to read one more chapter to my child before heading in to work in the morning, because neither of us wants to stop at a cliffhanger. Beyond that, it's satisfying to be a part of something that's making a difference in the local tech and entrepreneurship ecosystem.

As the sole income-earner for my household, I wasn't a financial risk-taker before coming to Cloudburst, but working here has increased my confidence that I could start my own business someday, if I wanted to.

Finally, the Cloudburst X program, just by existing, has inspired me to give more focused attention to my creative and professional dreams, the things I would want to create if given complete freedom and autonomy, and significant financial incentive to do so. Having a dream to work towards and plans in place to realize it is fulfilling needs I didn't know I had.

-Lisa Mabley, Software Developer (hired May 2018)

Cloudburst drew me back to Minnesota after years away. Their mission of making tech more equitable and accessible to under-estimated entrepreneurs aligned with my values and reinforced the notion that Minnesota is where cutting-edge, community-focused ideas take flight.

Also, the Cloudburst X program makes investing in my own community easy and shows that the company doesn't just pay lip service to doing good work. Cloudburst is paving a new path for tech companies in Minnesota and beyond.

-Kedar Deshpande, Chief Product Officer (hired December 2019)

CLOUDBURST

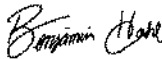
SBC

CERTIFICATION BY THE BOARD OF DIRECTORS

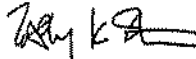
The undersigned, being all the directors of Cloudburst, SBC, hereby acknowledge and certify that we have reviewed and approved the enclosed Annual Benefit Report.



Joseph Dalsin



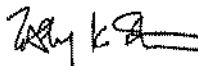
Benjamin Hohl



Zachary Steven

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 provided all required information and that the information in this document is all true and correct and in compliance with the applicable chapter of Minnesota Statutes.



Zachary Steven
Co-founder and CEO



Work Item 1156906900035
Original File Number 993435400031

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
FILED
04/30/2020 11:59 PM

Steve Simon

Steve Simon
Secretary of State