

PRIME Coalition

Charitable capital for early-stage innovation

Bioeconomy 2017
July 12, 2017

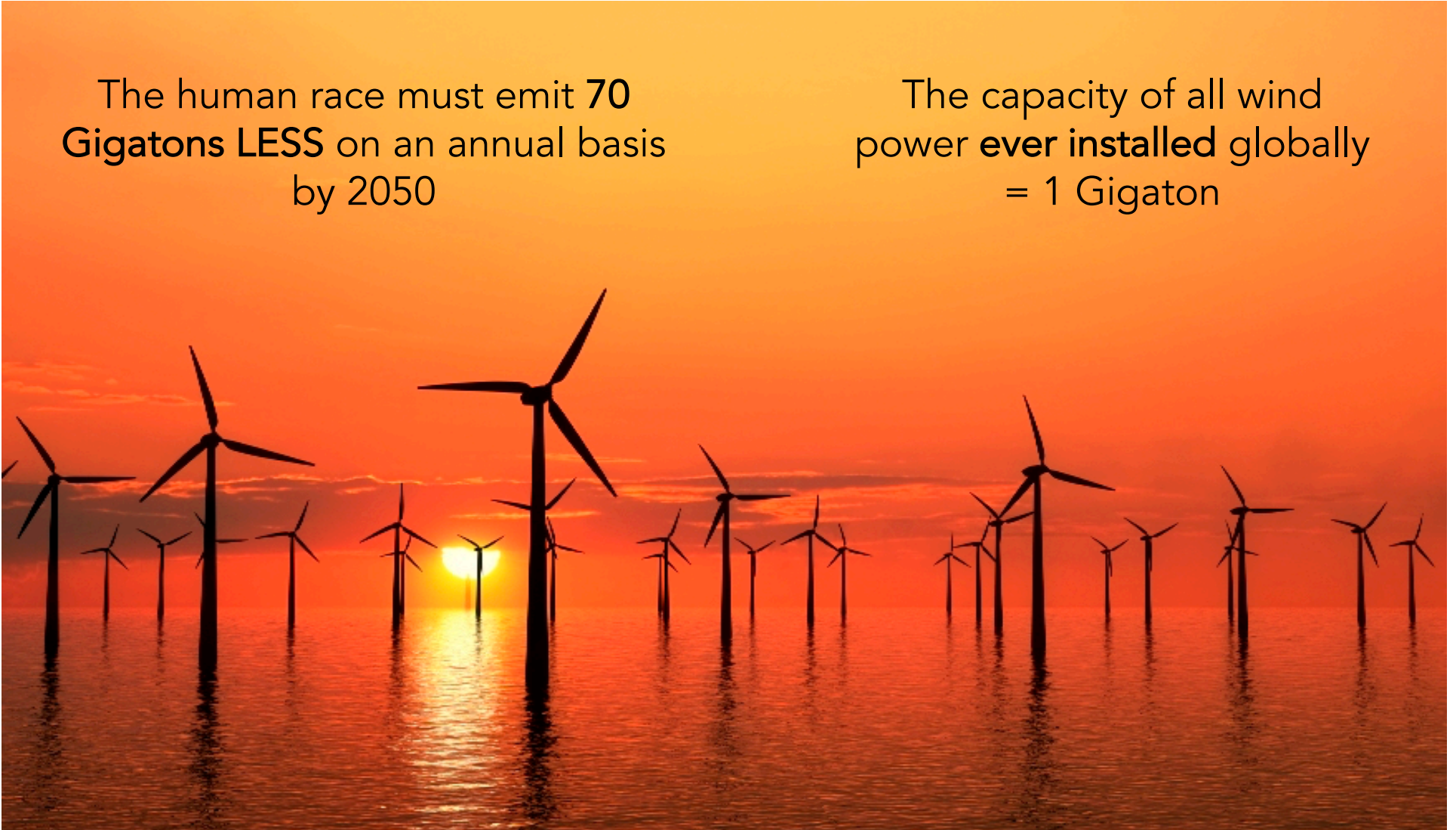
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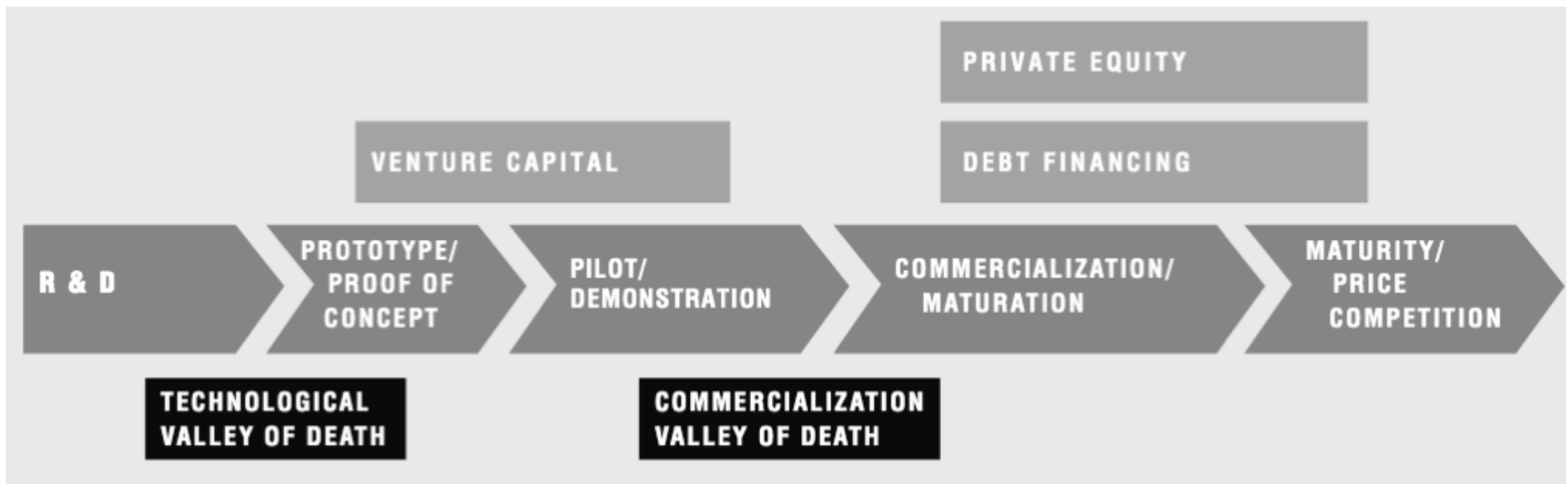
Climate change is one of the most important, complex, and urgent social problems of our time.

The human race must emit **70 Gigatons LESS** on an annual basis by 2050

The capacity of all wind power **ever installed** globally = 1 Gigaton



There are capital gaps and financial friction points all along the innovation and deployment pipeline.



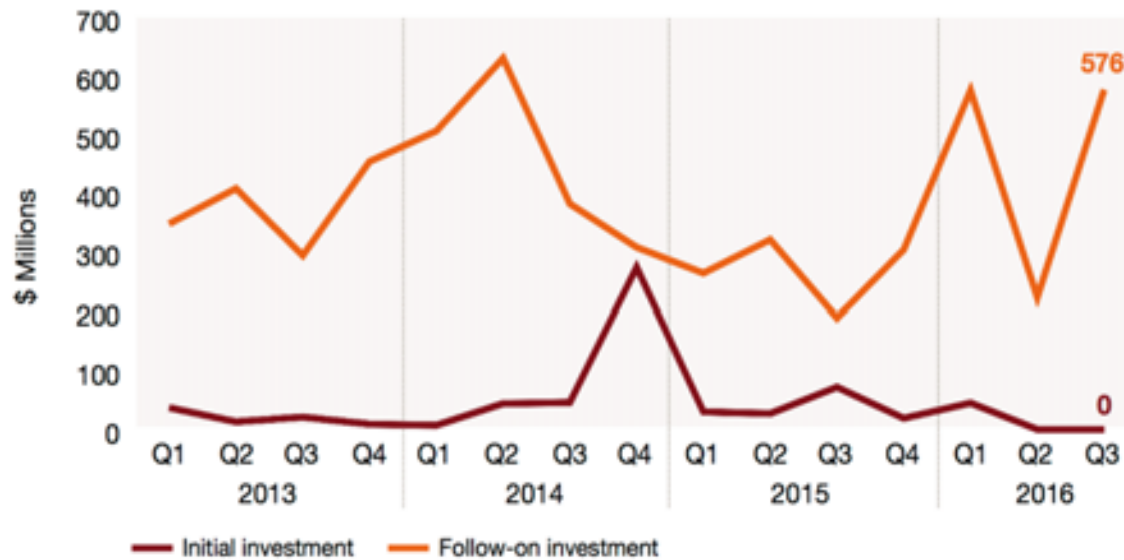
Source: Jesse Jenkins et al, Breakthrough Institute, November 2011

There is a surplus of early-stage ideas that could become commercially successful companies.

Our 2016 Pipeline Partners (below) helped us build the PRIME Registry of 1,636 early-stage ventures in the U.S. alone (across energy, agriculture, waste and water).



No one is willing to go first
in supporting new climate ventures.



\$0

initial
investment













Q2, Q3 &
Q4 2016

DATA SOURCES:

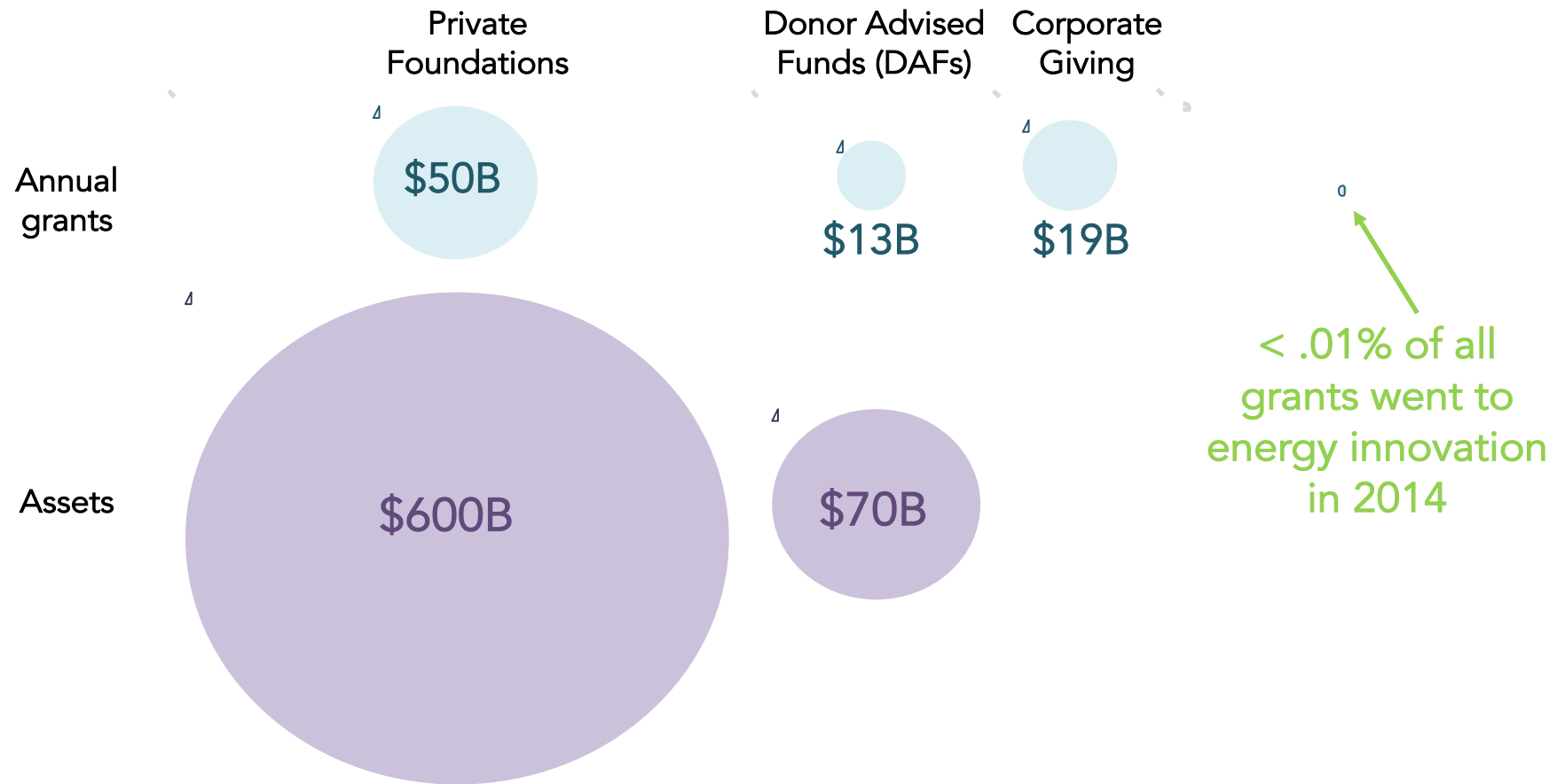


Bloomberg
NEW ENERGY FINANCE

Philanthropists are uniquely positioned
to fill the capital gap – no one else is going to step in.

	Government	Venture Capital	Long-term financial instruments (e.g. bonds)	Philanthropic capital
Company- building ability				
Long time horizon				
High risk				

The marketplace of charitable investors is large,
but also idiosyncratic, fragmented,
and inaccessible to energy innovators.



Sources: Merrill Lynch, SSIR, Forbes, Bloomberg, Philanthropy Journal, NP Trust, Wikipedia

High barriers prevent philanthropists from investing directly into early-stage ventures today.

I didn't know I could use my grant dollars to make for-profit investments.

My grant team is not organizationally structured to behave like a for-profit investment firm.

I thought that's what venture capital was doing.

Is it true that there are good investments dying on the vine?

I can't find any examples of other grant-makers making investments like this in the field.

I'm not a technical expert – I need support on technical due diligence. How much would that cost to do right?



I'm inundated with investment opportunities and it's very difficult to know which might actually need philanthropic intervention.

How can I be sure that this is the best use of my philanthropy, or that a specific investment might actually help solve the climate problem?

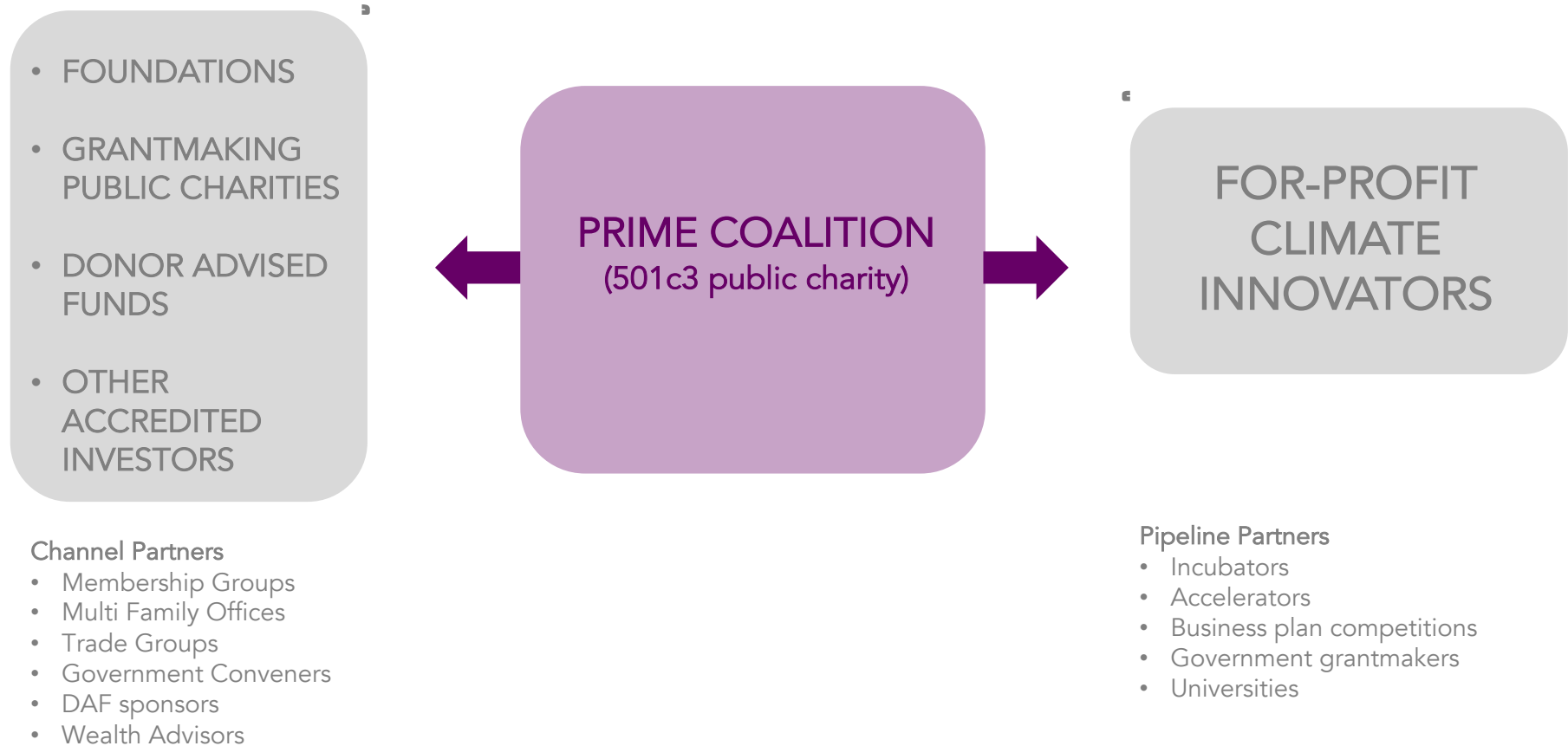
I don't know where to look for co-investors or follow-on investors – I don't want to be out on a limb by myself.

Would I potentially get in trouble with the IRS if I break the rules? How can I know with certainty that something qualifies as charitable?

Once I find a company I might want to support, I can't convince my own accountants, attorneys and advisors to let me do it with charitable capital.

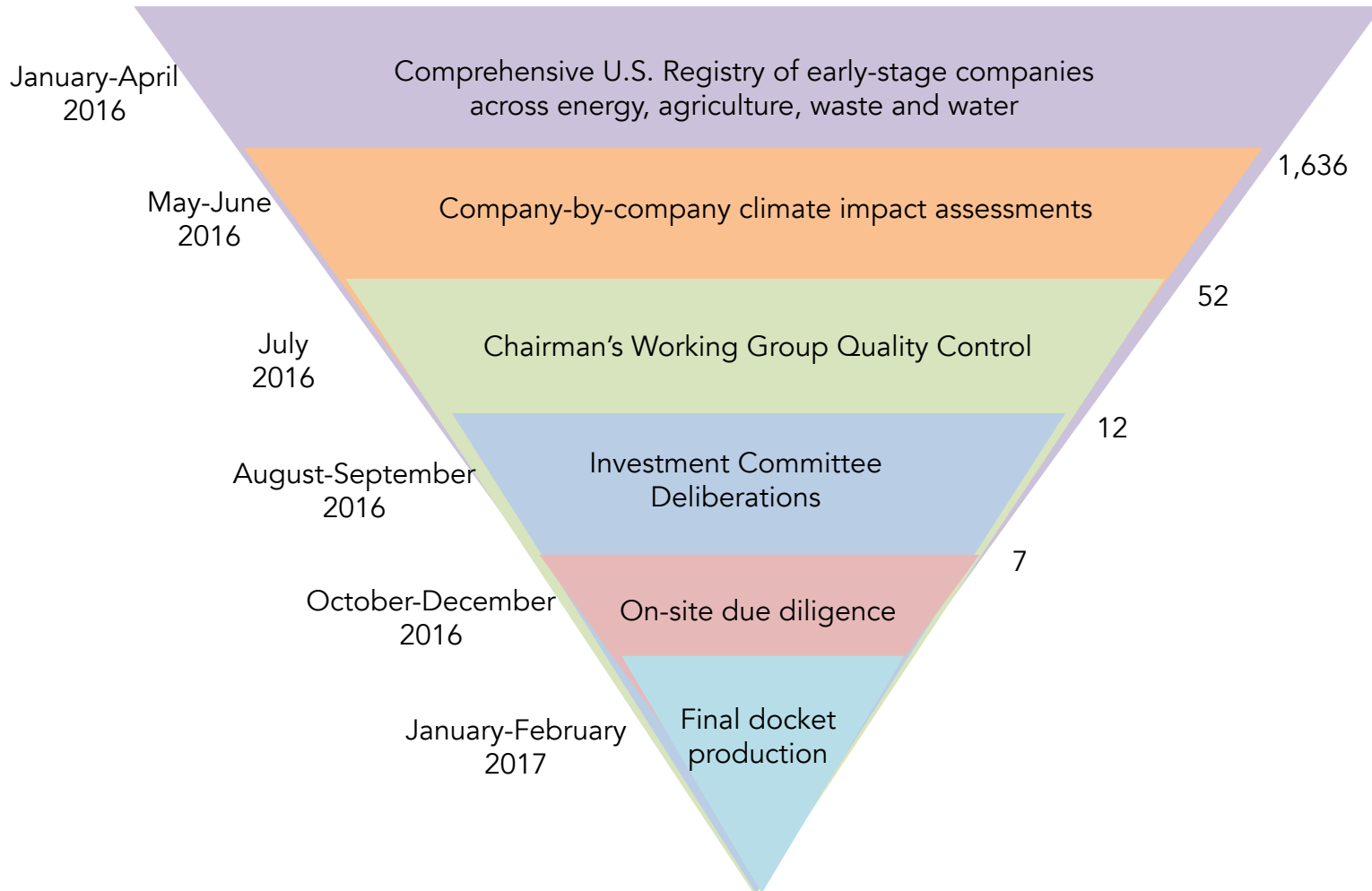
Quotes recorded during PRIME market research, 2013.

PRIME was founded in 2014
to lower the barriers that currently prevent
philanthropic investment to climate innovation.



We scour the U.S. to make our Investment Funnel as comprehensive as possible, harnessing the expertise of the leading investors to optimize for:

- 1 CLIMATE IMPACT
- 2 ATTRACTIVENESS TO COMMERCIAL INVESTORS
- 3 FITNESS FOR CHARITABLE CAPITAL

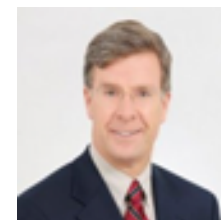


Annual "docket" of PRIME opportunities

PRIME's Investment Committee assesses traditional venture criteria and qualifies charitability.

Representation from

- Bill and Melinda Gates Investments
- Breakthrough Energy Ventures
- Capricorn
- CEVG
- DBL Partners
- Finistere Ventures
- GE Ventures
- Greatpoint Ventures
- MNL Partners
- Prelude Ventures
- Roda Group



There are three options for philanthropists to support PRIME docket companies on a deal-by-deal basis**

(**By design, PRIME is not financially remunerated in any of these scenarios)

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PHILANTHROPIC
INVESTOR

Convertible Note/Equity*

Terms determined on a deal-by-deal basis



DOCKET COMPANY

4

PHILANTHROPIC
INVESTOR

Recoverable Grant or Loan

10-15% annual interest

Returns at exit

Subordinated to preferred

4



PRIME

(501c3 public charity)



Recoverable Grant

4

PHILANTHROPIC
INVESTOR

Grant

No expectation of financial return



□ *If you are investing from a grant-making foundation and would like to classify this transaction as a program-related investment (PRI), PRIME can provide documentation and/or time with our nonprofit attorney to help establish "charitability"

Quidnet



RedWave



Anfire



ConnectDER



Rebound



Quidnet



RedWave



Anfire



ConnectDER



Rebound



Quidnet



RedWave



Anfire



ConnectDER



Rebound

Proof-of-concept investments



ultra-low-cost grid storage



converts waste heat to electricity at low cost and high efficiency



meter collar that enables solar and other renewable resources to connect to the grid cheaply, safely, and rapidly



membranes that reduce the cost and energy of desalination and water treatment



reinventing refrigeration with a novel cooling cycle

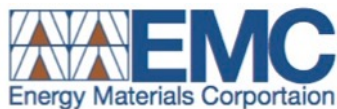


Wright Electric

electrifying commercial aviation



July 2017



ultra-high-efficiency, low-cost solar material



Sept 2017

Thank you!

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