



Presentation of the SE'nSE FUND

▶ 1. What is it about?

A not for profit Fund created by Pierre Mottet to provide seed financing to early stage quality environment-driven sustainability projects. The intent is to provide a bridge between 3F (Family, Fools & Friends) stage and the setup of a more permanent financing structure that would replace the investment by SE'nSE.

Initial focus will be on projects with the most significant potential positive impact on the environment. Job creation is a plus but is not a pre requisite.

Financing of projects will be decided once a year by a jury.

▶ 2. Awards

Applications will be due in Q3. Awards will be granted one time per year in Q4. Maximum award size will be 50 k€. Up to 3 awards for the most impactful projects are planned to be given every year (subject to quality projects being received).

▶ 3. Contribution

Beyond the money contribution, the ambition is that the quality and reputation of the jury is such that, by its review, it provides feedback that improves the projects and that it awards open doors for the projects to obtain funding from bigger money sources.

The ambition of the fund per se is not to provide follow up or coaching. Yet, it will facilitate networking with related projects or organizations whenever possible.

▶ 4. Funding philosophy

The Fund purpose is not to generate profits but it intends to be sustainable over the long term. This implies that reimbursement of loans or proceeds from exits in due time is necessary to fund other future projects. As it has to be expected that some projects will default, it further implies that the fund will require taking a share in the expected financial value creation of projects, like any investment fund would (although SE'nSE would probably invest in riskier projects and/or with a lower expected return). As a further consequence, projects that will not generate the capability to, at a minimum, reimburse a financing by SE'nSE will not be considered.

Allocated money will remain in the hands of the awardees for as long as they need it.

However, to the extent that SE'nSE wants to maximize the number of projects benefiting from its help, it will incentivize awardees to accelerate repayment or return to the fund (see Typical Terms below).

SE'nSE has no interest to bother management and recognizes that start-up are very sensitive to dilution of votes. Non-voting shares or preferably certificates (simpler administration) are welcome equity forms.

▶ 5. Typical Terms

Funding will be in loan or equity.

In consideration of the funding philosophy, the typical funding would be as follows:

- Subordinated convertible loan;
- Zero % interest for the first 18 months, 5 % for the next 18 months and 10 % interest for the following years (assuming current financial market conditions);
- Interests will be capitalized;
- If the loan is not reimbursed within 4 years from grant, SE'nSE will have the option at all times to forfeit the interests and convert the loan amount into common shares (or certificates) in a number equivalent to what would have been obtained if the money would have rather been used in the most proximate capital increase from the time of the intervention of the fund. Tag along will apply;
- Change of control or dividend payment will trigger early repayment of the loan or conversion in equity at the preference of SE'nSE.

▶ 6. Eligibility

- The company's activities should be related to early stage sustainability projects with significant potential positive impact on the Environment;
- Projects are expected to be business start-ups;
 - o The candidate entrepreneur wanting to start up a company should be prepared to set up in the relatively short term, for example within the coming 3 to 6 months
 - o Not for profit projects can be considered for as long as they show potential recurring revenue streams that covers at least their cash needs, including repayment of the financing;
 - o Projects can be from existing companies but would not be eligible if the related company could finance it from its own funds;
- The company must be located in Belgium;
- The project must be described in English;
- Independent professionals ("liberal professions") or groups of independent professionals are not eligible for this Fund;
- The candidate entrepreneur plans to work full time and is (a member of the team) responsible for the daily management of the company;
- The candidate entrepreneur must never have been prosecuted for fraud;
- Investment by SE'nSE must make a difference in the success of the project.

▶ 7. Selection Criteria

The key selection criteria will be:

- the level of positive impact the project might have on the environment (the “what”);
- the way it plans to live the Sustainability values (the “how”);
- and why an investment by SE'nSE would make a difference.

As in most other funds, other important criteria will include:

- Quality of the team;
- Originality of the idea (and possibly patents);
- Differentiation with the competition (Unique Selling Proposition);
- Quality and sturdiness of the business plan and the underlying strategy;
- Job creation (not a must).

▶ 8. Agenda of the call for projects

Start 07/07/2016

Submit until 05/10/2016

Shortlisted candidates will defend their projects in front of the Jury on 24/11/2016

Announcement of selection 1/12/2016

▶ 9. Contacts

For general information regarding the call:

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