



Presentation of the SE'nSE Fund 2019

1. What is it about?	2
2. Awards.....	2
3. What is more?	2
4. Funding philosophy	2
5. Typical terms	3
6. Eligibility	3
7. Selection criteria	4
8. Agenda call for projects 2019	4
9. Contact	4

To apply or the SE'nSE Fund, please send the application form and requested annexes before 27/06/2019, 24h00, to sense@fgf.be or sese@stg.be.

▶ 1. What is it about?

SE'nSE is a not for profit fund hosted by the Foundation for Future Generations, created by Pierre Mottet in 2016, and joined by others afterwards. Its goal: providing seed financing to early stage, quality, sustainable projects with a significant positive impact on the environment. The intent is to bridge the gap between 3F stage (Family, Fools & Friends) and a more stable financing stage, by offering a subordinated convertible loan.

Each year up to 5 projects are selected for funding by a professional Jury. In the first place based on their positive impact on the environment. A second key criteria is the quality of the business plan and its underlying strategy.

▶ 2. Awards

Each year SE'nSE awards up to 50,000 € per project (amount is subject to quality of projects). Once a year a call for projects is launched around the end of Q1. Applications are due around the end of Q2. Loans are awarded around the beginning of Q4.

▶ 3. What is more?

Besides financial support, SE'nSE provides valuable feedback based the insights of the Jury made up of highly experienced professionals from the fields of investment, entrepreneurship, management, impact evaluation and support to start-ups. In addition SE'nSE has demonstrated it can open doors towards other, more classical, sources of funding. The ambition of the fund is not to provide follow up or coaching per se. Yet, it will facilitate networking with related projects or organisations whenever possible.

▶ 4. Funding philosophy

The Fund's 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 future projects. Projects that do not sufficiently demonstrate the capacity to, at a minimum, reimburse the SE'nSE loan will not be selected.

This also implies that, although the allocated money can remain in the hands of the awardees for as long as they need it, in order to maximise the number of projects benefiting from its support, SE'nSE will incentivise awardees to accelerate repayment or return to the fund (see typical terms below).

As it has to be expected that some projects will default, this further implies that the fund will require taking share in the expected financial value creation of projects (like other investment funds would, although SE'nSE would invest in riskier projects and/or with a lower expected return).

SE'nSE has no interest in bothering management and recognises that start-ups are very sensitive to dilution of votes. Consequently, non-voting shares or preferably certificates (simpler administration) are welcome equity forms.

► 5. Typical terms

Funding will be in loan or (in case of conversion) in equity.

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

- Subordinated convertible loan;
- 0 % interest for the first 18 months, 5 % for the next 18 months and 10 % interest for the following years (assuming current financial market conditions); For example: repayment after 3 year would result in a mean interest rate of 2,67%.
- Interests will be capitalised;
- 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 had been invested at the best rate since the time of the intervention of the fund.;
- Tag-along rights 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.

The SE'nSE Jury may attach additional conditions which are considered relevant to the financing of a selected project.

► 6. Eligibility

- The project:
 - o must be early stage
 - o must have significant (potential) positive impact on the environment
- The organisation:
 - o should be a start-up business, meaning that the candidate entrepreneur should have established its company recently (no longer than 3 years ago) or should be prepared to set it up in a relatively short term (approximately within the coming 3 months);
 - o should be located in Belgium
 - o could be not for profit, for as long as it shows potential recurring revenue streams that cover at least its cash needs, including repayment of the funding;
 - o could be an existing business launching a new project, but would not be eligible if the related company could finance it from its own funds;
 - o should seek to integrate the sustainability values (people, planet, prosperity and participatory governance)
- The candidate entrepreneur:
 - o plans to work full time and is (as a member of the team) responsible for the daily management of the company;
 - o must never have been prosecuted for fraud;
 - o should not practice a liberal profession;
- Investment by SE'nSE should make a difference in the success of the project. This means that the amount of financial support that the candidate is applying for, shouldn't be lower than 5% and shouldn't exceed 50% of the total projected financial needs to realise the project.
- The application form must be completed in English and the oral presentation to the jury must be done in English.

▶ 7. Selection criteria

The key selection criteria are:

- the (potential) positive impact the project will have on the environment;
- the quality and sturdiness of the business plan and the underlying strategy;
- the difference the funding of the SE'nSE Fund would make.

Other important criteria include:

- the way the team plans to live the sustainability values (People, Planet, Prosperity, Participation);
- the quality of the team;
- the originality of the idea (and possible patents);
- the competitive advantage (Unique Selling Proposition);
- job creation is a plus (not a prerequisite).

For the candidates who seek to increase the quality of their project, particularly in terms of business plan and underlying strategy, the Foundation compiled a list of private and public organisations that offer support in business development, providing services ranging from personal business coaching to hands-on tools and inspiring network opportunities. This document is available on request (please see contact details below).

▶ 8. Agenda call for projects 2019

- Launch call: 21/03/2019
- Deadline call: 27/06/2019, 24h00
- Shortlisted candidates present project in front of the Jury: 3 October 2019
- Announcement of the laureates: by the end of October 2019

To apply for the SE'nSE Fund, please send the application form and requested annexes before 27/06/2019, 24h00 to sense@fgf.be or sense@stg.be.

▶ 9. Contact

For general information about the SE'nSE Fund and the 2019 call for projects: **Foundation for Future Generations**

Jérôme Chaplier
+32 498 67 62 42
j.chaplier@fgf.be

Marie Lorent
+32 493 54 68 36
m.lorent@stg.be