

# TERMS OF THE WE SHARE IMPACT LOAN FOR STARTUPS

At Stichting We Share Ventures (hereafter: 'We Share'), we believe in the innovative power of young talents. Numerous talented startups are working day by day on out-of-the-box solutions for global challenges. We call them impact startups. It is our mission to accelerate local solutions to global challenges, as provided by such impact startups. We Share can bring them further, by supporting them where they really need it.

We Share provides for patient money: funding which is made available at an early stage for a considerable time at a very modest interest rate. It gives you, as an impact startup, the opportunity to fully concentrate on your business.

For this type of funding, we need to step back from the traditional return on investment thinking, at least in financial terms. The funders, who provide the money via our funding platform, are not in it for the monetary return. They find the revenue in terms of impact – i.e. the contribution to one or more SDGs by the startups – much more important. Our funders believe in the power of the Share-it-Forward concept: they pass on their success and experience to next generation. In return, we expect from the startups and their founders that they are also willing to share their success.

Our loan terms are based on the above-described principles.

## LOAN CAPITAL

As an Impact Startup, you may receive a loan amounting up to € 250.000. This capital may be retrieved in the form of one or multiple loans or tranches.

We will tune the loan amount (and possible installments) to your needs and plans.

## MATURITY AND REPAYMENTS

A We Share loan is granted for a specific period: 3, 5 or 8 years. Upon maturity, the loan will be redeemed in full together with any accrued interest.

We know that it is pretty hard to forecast a maturity date. Therefore, early repayments can be made free of penalties. Upon request, we will consider to reschedule (postponement) the earlier agreed maturity date, provided that the startup is making sufficient progress.

## LOW INTEREST RATES

We charge a very modest interest. Given the current EURIBOR market rates, we charge 1% during the first three years, 2% during the fourth and fifth year and 3% as of the sixth year.

## 1 % SHARE TRANSFER

Upon receipt of (the first installment) of the loan, you (i.e. the funded startup) transfer 1% of your share capital to We Share. The issue of shares to We Shares takes place only once: upon taking up additional installments or loans from We Share, no further transfer of shares will be required.

The 1% share is non-dilutable. This implies that if new shares are being issued, We Share's interest should be kept at a minimum of 1% by issuing additional shares to We Share for free.

Please note that at We Share we are not interested to exercise any voting rights connected with the shares. We want you to stay fully in charge of your business.

## KEEP US INFORMED

We expect from our Startups that they keep us in the loop every now and then. Once per quarter you will send us a business update, including a commercial report and condensed financial report.

## BECOMING A FUNDING MEMBER

By transferring your 1% share capital, you actively back up the We Share Share-It-Forward philosophy. If your startup becomes successful, you will be able to pass on your success to new generations of impact-makers. By that time you may decide which young talents We Share should support.

Indeed, as soon as you start to share your success forward by transferring dividends, you qualify as a We Share Funding Member! You may direct 90% of your dividend distributions to one or more We Share Impact Startup(s) or Student(s) of your choice. By then, you will have completed the circle!

## DEFAULT PROVISION

As a matter of fact, despite all efforts, the majority of startup fail. The stats show that 70% to 80% of all startups vanish prior to their 5th birthday. Let's hope we do a bit better at We Share.

If you turn out to be unsuccessful and thus unable to redeem your loan, we expect your founders to guarantee the loan by sharing 1% of their future net annual income with We Share, until the full repayment of the loan.

For this purpose 'founders' include parties who are holding shares in you (as a startup) and have an executive role. All founders are co-signing the loan agreement.

This provision reflects We Share's aim to support startups initiatives in good faith under a functional circular model!